

VIRGINIA REAL ESTATE APPRAISER BOARD  
CUSTOMARY AND REASONABLE FEES COMMITTEE  
MEETING MINUTES

The Real Estate Appraiser Board (Board) Customary and Reasonable Fees Committee (Committee) met on Tuesday, January 12, 2016, at the Department of Professional & Occupational Regulation in Richmond.

Committee Members present: Thomas "Mack" Strickland, Jr., Chair  
Christopher Call  
Robert "Rocky" Rochester  
Jean Gannon  
Rene Fonseca

Staff Members present: Jay W. DeBoer, Director  
Mark Courtney, Senior Director  
Nick Christner, Deputy Director  
Christine Martine, Executive Director  
Kevin Hoeft, Board Administrator

Chairman Strickland called the meeting to order at 10:01 a.m.

The agenda was approved unanimously.

**Public Comment**

Jayne Allen, Certified Residential Appraiser, Charlottesville, noted the importance of distinguishing between simple and complex appraisals.

John Russell, Government Relations Director for the American Society of Appraisers, supports the Board adoption of the U.S. Department of Veterans Affairs (VA) appraisal fee schedule as a baseline measure.

Pat Turner, Certified Residential Appraiser, Manakin-Sabot, supports the Board adoption of the VA appraisal fee schedule as a minimum fee schedule.

Woody Fincham, Certified Residential Appraiser, Charlottesville, supports the Board adoption of the VA appraisal fee schedule as a minimum fee schedule.

Donald Kinum, Certified General Appraiser, Saluda, described how the advent of AMCs has affected his firm's business model, which no longer accepts assignments from AMCs.

Mark Chapin, Certified Residential Appraiser, Chief Valuation Officer for AMC Solidifi, encouraged the Board to look at each AMC individually based on its merit, and hopes for a working partnership between AMCs and appraisers.

Mark Schiffman, Executive Director for the Real Estate Valuation Advocacy Association, hopes the Board, appraisers and AMCs will work together to move the ball forward. AMCs are required to pay appraisers customary and reasonable fees based on the presumptions of compliance in federal law and regulation.

Frank O'Neill, Certified General Appraiser, Chief Appraiser for AMC Stewart Valuation Services, former member of the Connecticut Real Estate Appraiser Board, encouraged all parties to work together to comply with the customary and reasonable fees requirement.

Tim Zak, Director of Regulatory Affairs and Compliance for Rels Valuation, volunteered to work with the Board to make customary and reasonable fees rules that are fair and practical.

Alex Uminski, Certified General Appraiser, Richmond, member of the Virginia Coalition of Appraiser Professionals, shared an excerpt of an interview with The Appraisal Foundation President David Bunton regarding concerns with some AMCs.

Tom Murray, Certified Residential Appraiser, Richmond, supports the Board adoption of the VA appraisal fee schedule as a minimum fee schedule.

Roger Blaha, Certified Residential Appraiser, Chesterfield, described the low fees offered and paid to appraisers by many AMCs.

Elizabeth Southworth, Residential Appraiser, Richmond, emphasized the Board's role in protecting the public and that the public is not protected by AMCs that pay low fees and require a quick turnaround for an appraisal report. She supports the Board adoption of the VA appraisal fee schedule as a minimum fee schedule.

Michael Small, Certified Residential Appraiser, Richmond, member of the Virginia Coalition of Appraiser Professionals, stated the public trust is not being protected when AMCS are allowed to broadcast low-fee appraisal assignments.

Ron Fitch, Certified Residential Appraiser, Midlothian, indicated the rise of AMCs has led to the decrease in appraisal fees - even for appraisers with many years of experience.

Mark White, Certified General Appraiser, Roanoke, past president of the Virginia Coalition of Appraiser Professionals, stated that customary and reasonable fees for appraisers strengthen the public trust. He also indicated not all appraisals are typical and, therefore, fees need to be aligned with the scope of work for each assignment. He supports the Board adoption of the VA appraisal fee schedule as a minimum fee schedule.

Bernie Bugg, Certified Residential Appraiser, Richmond, member of the Virginia Coalition of Appraiser Professionals, stated establishing customary and reasonable fees makes sense and protects the public. He supports the Board adoption of the VA appraisal fee schedule as a minimum fee schedule.

Frank Wright, Certified Residential Appraiser, Ashland, referenced a *Washington Post* article on AMCs and appraiser fees, and stated he supports the Board adoption of the VA appraisal fee schedule as a minimum fee schedule.

Teresa Stanley, Certified Residential Appraiser, Moneta, stated that she often receives numerous questions from AMC staff who do not understand the appraisal process.

Steve Baronian, Certified Residential Appraiser, Henrico, provided the Board with an email order from an AMC with an unreasonable turnaround time requirement.

Tammy Marsh, Certified Residential Appraiser, Lynchburg, stated that she often receives numerous questions from AMC staff who do not understand the appraisal process and that AMCs are generally looking for appraisers who complete assignments quickly and at the lowest cost.

Daniel Salomonsky, Certified Residential Appraiser, Henrico, stated that AMCs are pass-throughs and that minimum fees for appraisers will better protect the public.

#### **Review of Law and Regulation**

Executive Director Christine Martine reviewed the requirement in federal and Virginia law and regulation for AMCs to provide customary and reasonable compensation to fee appraisers.

#### **Committee Discussion and Recommendation**

Mr. Strickland opened the floor for Committee discussion on the subject of AMCs providing customary and reasonable compensation to fee appraisers.

After discussion, Mr. Rochester made a motion that the Committee recommend the Board adopt the attached United States Department of Veterans Affairs' "Roanoke Regional Loan Center Appraisal and Inspections Fees," schedule as a government agency fee schedule which AMCs may use as a presumption of compliance with the requirement to provide customary and reasonable appraisal compensation to Virginia fee appraisers. Mr. Fonseca seconded the motion. Mr. Strickland called for the vote with Mr. Rochester, Mr. Fonseca and Mr. Strickland voting yes, Ms. Gannon voting no, and Mr. Call abstaining.

The Committee directed staff to draft a guidance document expressing the Committee recommendation for Board review at its next meeting.

Adjourn

There being no further business, the meeting was adjourned at 12:45 p.m.

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## Roanoke Regional Loan Center Effective August 1, 2014

### Timeliness Requirements:

Origination Cases: 10 or fewer business days from the date the appraiser receives the assignment.

Liquidation Cases: 5 or fewer business days unless the property is vacant. If vacant, the appraiser must wait for interior access.

### Appraisal and Inspection Fees:

Location	Type	Origination	Liquidation
District of Columbia, Maryland, Virginia, West Virginia	SFR/Condo/MH	\$450	\$500
	2-4 Family	\$600	\$650
Kentucky	SFR/Condo/MH	\$425	\$475
	2-4 Family	\$575	\$625

\*Re-inspection Fees (Existing and New Construction, all locations) \$100

\*\*Complex assignments still require the appraiser to negotiate a mutually acceptable fee with the lender and forward documentation of acceptance to VA for Approval/Concurrence prior to completing the assignment. Fees outside of current accepted market rates/practice are subject to denial.