

Office of Regulatory Management
Economic Review Form

Agency name	Real Estate Appraiser Board
Virginia Administrative Code (VAC) Chapter citation(s)	18 VAC 130-20 18 VAC 130-30
VAC Chapter title(s)	Real Estate Appraiser Board Rules and Regulations (18VAC130-20) Appraisal Management Company Regulations (18VAC130-30)
Action title	Periodic Review
Date this document prepared	July 21, 2023
Regulatory Stage (including Issuance of Guidance Documents)	Periodic Review

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Description of Impact on Local Partners

- There are several local partners impacted by the Real Estate Appraiser Board. The board is authorized to license real estate appraisers and adopt regulations that satisfy the minimum criteria of the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. § 1331 et seq.). The board provides in its regulations, among other things, educational and experience requirements as conditions for licensure, provisions for the supervision of appraiser practices, provisions for the enforcement of standards of professional appraiser practice. These standards of practice impact the method by which appraisals are conducted. Many localities, along with the Virginia Department of Transportation, conduct appraisals as part of a taking under eminent domain. Additionally, localities follow certain appraisal standards during the valuation of real property as part of their tax assessment process.
- Appraisal Management Company Regulations do not have any local partner impacts.

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Description of Impact on Families

- Appraisals play a critical role in real estate transactions. Many families in Virginia finance their real estate transactions. Financial institutions, including lenders utilizing federal loans, rely on appraisal valuations to approve or deny loans. Improper valuations can result in families being denied loans for houses they could otherwise afford. Additionally, real estate appraisal regulations govern the disclosure of certain information that allows families to access information, including appraisal fees.
- There is no immediate impact on the family from appraiser management company (AMC) regulation. There is debate about whether the impact of AMCs reducing or raises the price of appraisals, as there is also debate as to whether AMC involvement produces lower or higher quality appraisals. These factors would impact the family during a real estate transaction, but there is no definitive answer to the type of impact provided.

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Description of Impact on Small Businesses

- Many appraisers work in or operate small businesses. The board’s record keeping requirements may have a de minimus impact on these businesses, although federal laws and state statutes of limitation may play a larger role in appraiser record keeping practices.
- Some AMCs are small businesses, and board regulations require them to meet some basic standards relating to properly registering their businesses and recordkeeping, similar to appraisers.

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

Not Applicable.