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Exempt Action: Final Regulation Agency Background Document

Agency name	Real Estate Appraiser Board
Virginia Administrative Code (VAC) Chapter citation(s)	18 VAC 130-20
VAC Chapter title(s)	Real Estate Appraiser Board Rules and Regulations
Action title	Amending regulations to incorporate federally mandated changes
Final agency action date	October 14, 2020
Date this document prepared	October 19, 2020

Although a regulatory action may be exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the *Code of Virginia*, the agency is still encouraged to provide information to the public on the Regulatory Town Hall using this form. However, the agency may still be required to comply with the Virginia Register Act, Executive Order 14 (as amended, July 16, 2018), the Regulations for Filing and Publishing Agency Regulations (1VAC7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

Section 1116 [12 U.S.C. 3345] of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA – Real Estate Appraisal Reform) authorizes the Appraisal Qualifications Board (AQB) of The Appraisal Foundation (TAF) to set the minimum criteria for states to license and certify real estate appraisers. The AQB's minimum qualification requirements are expressed in The Real Property Appraiser Qualification Criteria (Criteria), which can be accessed [here](#).

On May 15, 2020, the AQB revised the Criteria in order to amend the scope of practice for Licensed Residential Real Property Appraisers. The revised Criteria will go into effect on January 1, 2021. The specific amendment to the Criteria can be reviewed at [here](#) and the full exposure draft with the rationale for the proposed changes may be reviewed [here](#).

Real Estate Appraiser Board (Board) regulation 18 VAC 130-20-10 is being amended to comply with the January 1, 2021, Criteria change to conform the definition of licensed residential real estate appraiser as follows:

The threshold level at which a licensed residential real estate appraiser may appraise *complex* one-to-four residential unit properties with a transaction value less than \$250,000 is being increased to \$400,000.

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, internal staff review, petition for rulemaking, periodic review, or board decision). "Mandate" is defined as "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

This regulatory change is required because the AQB establishes the minimum education, experience, and examination requirements for state licensed and certified real property appraisers. Each credential also possesses a specified scope of practice, which identifies the type of real property that can be appraised by the credential holders.

Section 1110 [12 U.S.C. 3339] of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA – Real Estate Appraisal Reform) requires that real estate appraisals be performed in accordance with, and reviewed for compliance with, generally accepted standards as evidenced by the appraisal standards promulgated by the ASB of the Appraisal Foundation (TAF), known as the Uniform Standards of Professional Appraisal Practice (USPAP).

The board is promulgating this regulatory action to conform the regulation to the federal law and there is no agency discretion pursuant to § 2.2-4006.A.4.c.

Statement of Final Agency Action

Provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.

The Real Estate Appraiser Board reviewed and adopted this exempt action, amending the Real Estate Appraiser Board Rules and Regulations, on October 14, 2020.