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Exempt Action Final Regulation Agency Background Document

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| Agency name | Real Estate Appraiser Board |
| Virginia Administrative Code (VAC) citation(s) | 18 VAC 130-20 |
| Regulation title(s) | Real Estate Appraiser Board Rules and Regulations |
| Action title | Exempt Action for 2020-2021 USPAP |
| Final agency action date | February 11, 2020 |
| Date this document prepared | February 18, 2020 |

While 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 (1 VAC7-10), and the *Virginia Register Form, Style, and Procedure Manual for Publication of Virginia Regulations*.

Brief Summary

Please 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.

The Uniform Standards of Professional Appraisal Practice (USPAP) is updated by the Appraisal Standards Board (ASB) every two years. The edition of USPAP noted in the Real Estate Appraiser Board regulations is the *2018-2019 USPAP* which is effective from January 1, 2018, through December 31, 2019. The ASB issued the *2020-2021 USPAP* which is effective from January 1, 2020, through December 31, 2021.

Board Regulations define USPAP as “means the 2018-2019 edition of those standards promulgated by the Appraisal Standards Board of the Appraisal Foundation for use by all appraisers in the preparation of appraisal reports.” More information on USPAP can be found [here](#).

Board Regulation 18 VAC 130-20-10 (Definitions) must be amended as follows to comply with the January 1, 2020, effective date of the *2020-2021 USPAP*:

To define USPAP as “means the 2020-2021 edition of those standards promulgated by the Appraisal Standards Board of the Appraisal Foundation for use by all appraisers in the preparation of appraisal reports.”

Mandate and Impetus

Please 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, board decision, etc.). “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 there is a new edition of USPAP in effect as of January 1, 2020. 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), which are 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 Va. Code § 2.2-4006.A.4.c.

Statement of Final Agency Action

Please 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 Board authorized this exempt action for the Real Estate Appraiser Board Rules and Regulations on February 11, 2020.