

Office of Regulatory Management
Economic Review Form

Agency name	Real Estate Appraiser Board
Virginia Administrative Code (VAC) Chapter citation(s)	18 VAC 130-30
VAC Chapter title(s)	Appraisal Management Company Regulations
Action title	Correction to 18VAC130-30-60
Date this document prepared	December 11, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Exempt Final (Action 6641 / Stage 10631)

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.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>This regulatory action amends 18VAC130-30-60 which provides for the fees that regulants must pay for initial licensure, renewal of licenses, and reinstatement of licenses.</p> <p>The provisions in the section regarding the assessment of the National Registry fee imposed on appraisal management companies to are revised to provide that the fee is \$25 multiplied by the number of appraisers who have performed an appraisal for the company in Virginia during the previous year. This change will correct the regulation so that it conforms to current federal requirements and aligns the regulation with current agency practice.</p> <p>The National Registry fee is collected by the Board and is remitted to the federal government.</p> <p>The change will not result in any new monetizable costs or benefits. The payment of the National Registry fee would be considered a transfer payment.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b)
(3) Net Monetized Benefit	\$0	
(4) Other Costs & Benefits (Non-Monetized)	<p>This change will not result in any new non-monetizable costs.</p> <p>Benefits:</p> <ul style="list-style-type: none"> The change will conform the regulation to current requirements of federal regulation regarding the National Registry fee assessment and will ensure the Board’s regulatory program is in compliance with federal standards. 	
(5) Information Sources	Board staff.	

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>There are no new monetizable costs or benefits associated with maintaining the status quo. The payment of the National Registry fee would be considered a transfer payment.</p>	
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$0
(3) Net Monetized Benefit	\$0	
(4) Other Costs & Benefits (Non-Monetized)	<p>There are no new non-monetizable benefits associated with maintaining the status quo.</p> <p>Costs:</p> <ul style="list-style-type: none"> • The Board’s regulation is currently not in compliance with federal standards regarding the regulation of appraisal management companies. Failure to comply with federal standards could result in multiple adverse consequences. These include: <ul style="list-style-type: none"> ○ If a state fails to meet the requirements of the Appraisal Sub-Committee (ASC), it may face federal oversight or intervention. The ASC has the authority to recommend corrective action, and in extreme cases, the state could lose its authority to certify and license appraisers altogether. ○ One of the core federal requirements for state appraiser boards is ensuring that appraisers meet standards for appraisals used in federally related transactions. Non-compliance could make the state ineligible to certify appraisers who perform appraisals for loans backed by federal agencies (e.g., FHA, VA, USDA loans), impacting the real estate market. ○ A state board's non-compliance with ASC requirements could lead to legal challenges, both from appraisers who feel they are being unfairly regulated or from parties who are negatively impacted by substandard appraisals. Moreover, non-compliance can harm the state's reputation in the eyes of the public, industry stakeholders, and the federal government. ○ Federal requirements are designed to promote uniform standards and maintain public trust in the appraisal process. When a state is non-compliant, it may result in reduced confidence in appraisals performed in that state, especially by those relying on federally backed loans. ○ The ASC ensures that appraisers are held to consistent national standards, allowing for greater mobility across states. Non-compliance can limit appraisers' ability to work across state lines, making it harder for professionals to operate in multiple jurisdictions or for lenders to find qualified appraisers. 	

	<ul style="list-style-type: none"> ○ The ASC's regulations are designed to ensure consistency across the country. Non-compliance at the state level can create discrepancies between state and national standards, leading to confusion and complications for appraisers, lenders, and consumers.
(5) Information Sources	Board staff.

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	Refer to Box #4.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	No alternatives to this regulatory action were considered. The Board is required to meet federal standards for the regulation of appraisal management companies.	
(5) Information Sources	N/A	

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.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	Refer to Box #3.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A

(3) Other Costs & Benefits (Non-Monetized)	There are no anticipated direct or indirect costs to local partners. There are no anticipated direct or indirect benefits to local partners.
(4) Assistance	N/A
(5) Information Sources	N/A

Impacts on Families

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

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	Refer to Box #3.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	There are no anticipated direct or indirect costs to families. There are no anticipated direct or indirect benefits to families.	
(4) Information Sources	N/A	

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.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	Refer to Box #3.
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	<p>Appraisal management company licenses are issued to business entities. Many licensed business entities are likely to be business entities that meet the definition of “small business” in § 2.2-4007.1 of the Code of Virginia.</p> <p>The costs and benefits of this regulatory change are identified in Table 1(a). The regulatory change will not result in any new costs or benefits to regulants.</p>	
(4) Alternatives	<p>No alternatives to this regulatory action were considered. The Board is required to meet federal standards for the regulation of appraisal management companies.</p>	
(5) Information Sources	<p>N/A</p>	

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
30-60	(M/A):	2	0	0	0
	(D/A):	0	0	0	0
	(M/R):	1	0	0	0
	(D/R):	0	0	0	0
Grand Total of Changes in Requirements:					(M/A): 0 (D/A): 0 (M/R): 0 (D/R): 0

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
N/A	N/A	N/A	N/A	N/A

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden
N/A	N/A	N/A

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Word Count	New Word Count	Net Change in Word Count
N/A	N/A	N/A	N/A

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).