



Virginia
Regulatory
Town Hall

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Notice of Intended Regulatory Action (NOIRA) Agency Background Document

Agency name	Real Estate Appraiser Board
Virginia Administrative Code (VAC) citation	18 VAC 130-30
Regulation title	Appraisal Management Company Regulations
Action title	Initial Appraisal Management Company Regulations
Date this document prepared	October 4, 2012

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 14 (2010) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Purpose

Please describe the subject matter and intent of the planned regulatory action. Also include a brief explanation of the need for and the goals of the new or amended regulation.

The new regulation establishes definitions, qualifications, fees, and standards of practice and conduct for appraisal management companies. The new regulation is required to implement Chapter 405 of the Acts of the 2012 General Assembly, which resulted from HB 210. The goal of the regulation is to establish qualifications, fees, and standards of practice and conduct for the licensure and regulation of appraisal management companies in Virginia pursuant to HB 210.

Legal basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant citations to the Code of Virginia or General Assembly chapter number(s), if applicable, and (2) promulgating entity, i.e., agency, board, or person. Your citation should include a specific provision authorizing the promulgating entity to regulate this specific subject or program, as well as a reference to the agency/board/person's overall regulatory authority.

Title 12, Chapter 34A, Section 3353 (Appraisal Management Company Minimum Requirements) of the United States Code requires that appraisal management companies “register with and be subject to supervision by a State appraiser certifying and licensing agency in each state in which such company operates.”

The second and third enactments of Chapter 405 of the Acts of the 2012 General Assembly state: “That the Real Estate Appraiser Board shall promulgate regulations to implement the provisions of this act to be effective July 1, 2014. That the provisions of this act shall become effective on July 1, 2012, except that § 54.1-2021.1 of this act shall become effective July 1, 2014.”

§ 54.1-2021.1 of the Code of Virginia states: “Beginning July 1, 2014, the Board may issue a license to do business as an appraisal management company in the Commonwealth to any applicant who has submitted a complete application...”

§ 54.1-201.A.1 of the Code of Virginia states: “The powers and duties of regulatory boards shall be as follows: to establish the qualifications of applicants for certification or licensure by any such board, provided that all qualifications shall be necessary to ensure either competence or integrity to engage in such profession or occupation.”

§ 54.1-201.A.5 of the Code of Virginia states: “The powers and duties of regulatory boards shall be as follows: to promulgate regulations in accordance with the Administrative Process Act necessary to assure continued competency, to prevent deceptive or misleading practices by practitioners and to effectively administer the regulatory system administered by the regulatory board....”

Need

Please detail the specific reasons why the agency has determined that the proposed regulatory action is essential to protect the health, safety, or welfare of citizens. In addition, delineate any potential issues that may need to be addressed as the regulation is developed.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203) was signed into law on July 21, 2010, and requires that appraisal management companies “register with and be subject to supervision by a State appraiser certifying and licensing agency in each state in which such company operates.” To comply with this requirement, the General Assembly enacted Chapter 405 of the Acts of the 2012 General Assembly, which states in Section 54.1-2021.1 of the Code of Virginia: “Beginning July 1, 2014, the Board may issue a license to do business as an appraisal management company in the Commonwealth to any applicant who has submitted a complete application....”

Substance

Please detail any changes that will be proposed. Be sure to define all acronyms. For new regulations, include a summary of the proposed regulatory action. Where provisions of an existing regulation are being amended, explain how the existing regulation will be changed.

General: Defines the terms used throughout the regulations.

Entry: States the application procedures; provides qualifications for licensure of appraisal management companies, including responsible person and controlling person information, bond and letter of credit requirements, and past criminal conviction and disciplinary action information.

Fees: Lists all fees, including application fees, federal registry fees, renewal fees and reinstatement fees.

Renewal/Reinstatement: Establishes requirements for renewal and/or reinstatement of license, including qualifications, procedures and fees; status of license during period prior to reinstatement; and board discretion to deny renewal or reinstatement.

Standards of Practice: Describes grounds for disciplinary action, license maintenance requirements, and prohibited acts.

Alternatives

Please describe all viable alternatives to the proposed regulatory action that have been or will be considered to meet the essential purpose of the action. Also, please describe the process by which the agency has considered or will consider other alternatives for achieving the need in the most cost-effective manner.

Title 12, Chapter 34A, Section 3353 (Appraisal Management Company Minimum Requirements) of the United States Code requires that appraisal management companies “register with and be subject to supervision by a State appraiser certifying and licensing agency in each state in which such company operates.” § 54.1-2021.1 of the Code of Virginia states: “Beginning July 1, 2014, the Board may issue a license to do business as an appraisal management company in the Commonwealth to any applicant who has submitted a complete application....” Federal and state laws require the establishment of the regulation. Therefore, no viable alternatives to the proposed regulatory action exist.

Public participation

Please indicate whether the agency is seeking comments on the intended regulatory action, including ideas to assist the agency in the development of the proposal and the costs and benefits of the alternatives stated in this notice or other alternatives. Also, indicate whether a public hearing is to be held to receive comments on this notice.

Please also indicate, pursuant to your Public Participation Guidelines, whether a Regulatory Advisory Panel or a Negotiated Rulemaking Panel will be used in the development of the proposed regulation. Please state one of the following: 1) a panel will be appointed and the agency’s contact if you’re interested in serving on the panel is _____; 2) a panel will not be used; or 3) public comment is invited as to whether to use a panel to assist in the development of this regulatory proposal.

The agency is seeking comments on this regulatory action, including but not limited to 1) ideas to be considered in the development of this proposal, 2) the costs and benefits of the alternatives stated in this background document or other alternatives and 3) potential impacts of the regulation. The agency is also seeking information on impacts on small businesses as defined in § 2.2-4007.1 of the Code of Virginia. Information may include 1) projected reporting, recordkeeping and other administrative costs, 2) the probable effect of the regulation on affected small businesses, and 3) the description of less intrusive or costly alternatives for achieving the purpose of the regulation.

Anyone wishing to submit comments may do so via the Regulatory Town Hall website (<http://www.townhall.virginia.gov>), or by mail, email, or fax to Christine Martine, Executive Director, Virginia Real Estate Appraiser Board, 9960 Mayland Drive, Suite 400, Richmond, VA 23233, 804-367-8552, reappraisers@dpor.virginia.gov, Fax 866-350-7849. Written comments must include the name and address of the commenter. In order to be considered, comments must be received by midnight on the last day of the public comment period.

A public hearing will be held following the publication of the proposed stage of this regulatory action and notice of the hearing will be posted on the Virginia Regulatory Town Hall website (<http://www.townhall.virginia.gov>) and on the Commonwealth Calendar website (<http://www.virginia.gov/cmsportal3/cgi-bin/calendar.cgi>). Both oral and written comments may be submitted at that time.

The agency is using the participatory approach in the development of the proposal. Pursuant to Public Participation Guidelines, 18 VAC 130-11-10 *et seq.*, a panel will not be used.

Family impact

Assess the potential impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

The proposed regulation is not expected to have an impact on families.