



Final Regulation 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	June 6, 2014

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*.

Brief summary

Please provide a brief summary (no more than 2 short paragraphs) of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation. Also, please include a brief description of changes to the regulation from publication of the proposed regulation to the final 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.

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 or board taking the action, and (3) the title of the regulation.

On May 6, 2014, the Real Estate Appraiser Board reviewed and adopted the "Appraisal Management Company" final regulations.

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...”

Chapter 210 of the Acts of the 2014 General Assembly amends § 54.1-2021.1 of the Code of Virginia by adding the statement: “No person shall engage in business as an appraisal management company without a license issued by the Board,” to clarify the Board’s authority to administer the provisions of the appraisal management company statutes. “Beginning July 1, 2014” is stricken as a technical amendment to reflect the chapter’s effective date.

§ 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....”

Purpose

Please explain the need for the new or amended regulation. Describe the rationale or justification of the proposed regulatory action. Detail the specific reasons it is essential to protect the health, safety or welfare of citizens. Discuss the goals of the proposal and the problems the proposal is intended to solve.

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....” The General Assembly then enacted Chapter 210 of the Acts of the 2014 General Assembly adding the statement: “No person shall engage in business as an appraisal management company without a license issued by the Board,” to clarify the Board’s authority to administer the provisions of the appraisal management company statutes. The proposed regulations complement the law enacted in Chapter 405 of the Acts of the 2012 Assembly and place minimum burdens on the regulants while still protecting the public.

Substance

Please identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. A more detailed discussion is required under the “All changes made in this regulatory action” section.

- 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.

Issues

Please identify the issues associated with the proposed regulatory action, including:

- 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions;*
- 2) the primary advantages and disadvantages to the agency or the Commonwealth; and*
- 3) other pertinent matters of interest to the regulated community, government officials, and the public.*

If there are no disadvantages to the public or the Commonwealth, please indicate.

The *Code of Virginia* establishes the Board as the state agency that oversees the licensure and regulation of appraisal management companies providing services in Virginia. The Board’s primary mission is to protect the citizens of the Commonwealth by prescribing requirements for minimal competencies; by prescribing standards of conduct and practice; and by imposing penalties for not complying with the regulations. The proposed regulations provide clarification and guidance to licensees so they can better serve the public and comply with industry standards.

The proposed regulations pose no disadvantages to the public or the Commonwealth.

Changes made since the proposed stage

Please describe all changes made to the text of the proposed regulation since the publication of the proposed stage. For the Registrar’s office, please put an asterisk next to any substantive changes.

Section number	Requirement at proposed stage	What has changed	Rationale for change
18 VAC 130-30-30	N/A	Amended the Code of Virginia reference to the bond or letter of credit requirement from § 54.1-2021.1.C to § 54.1-2021.1.D.	This section of the Code of Virginia was amended through HB 762 by the 2014 General Assembly.
18 VAC 130-30-60	N/A	*Removed all references to a National Registry fee.	The AMC National Registry has not yet been established by the federal financial institutions regulatory agencies.
18 VAC 130-30-160	N/A	Added the date the appraiser delivers the completed appraisal or valuation assignment to the AMC to the list of items required to be kept as part of the AMC’s detailed record.	The date the appraiser delivers the completed appraisal or valuation assignment needs to be recorded to determine whether the AMC complies with the “timely payment” requirement pursuant to § 54.1-2022.C.1 of the Code of Virginia and 18 VAC 130-30-10 of the final AMC Regulations.

Public comment

Please summarize all comments received during the public comment period following the publication of the proposed stage, and provide the agency response. If no comment was received, please so indicate.

Commenter	Comment	Agency response
Candice Krasovec	Supports the proposed AMC Regulations. AMCs should be required to pay appraisers within 30 days. The Board should poll appraisers’ on their non-AMC fees.	The regulations define timely payment as being within 30 days and make it a prohibited act for an AMC to withhold timely payment. Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
Colleen McCafferty	Amend the proposed language to revise the fee schedule for AMC licensure to remove the requirement that AMCs must submit a fee of \$50 for every appraiser working for or	The National Registry fee referenced in the regulations is for the AMC National Registry which is separate from the Appraiser National Registry. As set forth in Title XI of the Financial Institutions Reform, Recovery and

	contracting with an AMC. This \$50 National Registry fee is duplicative of the \$80 biennial National Registry fee that every Virginia appraiser already pays.	Enforcement Act of 1989 (FIRREA), §1109 of FIRREA [12 U.S.C. 3338] requires each state's licensing agency to collect an annual National Registry fee from individual appraisers [§ 1109.a.4.A] and from AMCs [§ 1109.a.4.B]. The board will remove the AMC National Registry fee from its regulations since the AMC National Registry is not in effect at this time.
Lore DeAstra	Supports the proposed AMC Regulations. Lenders should be held responsible for delinquent appraisal fees until the fees are paid because fees are sometimes not paid by AMCs for six months or more. Only licensed appraisers should review appraisal reports. If AMCs give the \$50 fee to appraisers, the customary and reasonable fee should be increased by \$50 per report. AMCs are not portals and should be regulated as AMCs.	The regulations define timely payment as being within 30 days and make it a prohibited act for an AMC to withhold timely payment. Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute
Charles D. Clark	Supports the proposed AMC Regulations. Supports requiring appraisers who are required by an AMC to pay the AMC the \$50 National Registry biennial fee as a condition to receive an assignment disclose this payment in the appraisal report as disclosing this fee may be a USPAP requirement.	The regulations contain a provision for disclosing fees in the appraisal report.
Jayne Allen	Supports the proposed AMC Regulations. Has concerns with the AMC National Registry \$50 biennial fee for each appraiser working for or contracting with an AMC. Supports requiring AMCs to make available to lenders/clients a statement of lender responsibilities relative to AMCs.	The National Registry fee referenced in the regulations is for the AMC National Registry which is separate from the Appraiser National Registry. As set forth in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), §1109 of FIRREA [12 U.S.C. 3338] each state's licensing agency to collect an annual National Registry fee from individual appraisers [§ 1109.a.4.A] and from AMCs [§ 1109.a.4.B]. The board will remove the AMC National Registry fee from its regulations since the AMC National Registry is not in effect at this time.
Elizabeth Southworth	Supports the proposed AMC Regulations.	Thank you for your comment supporting the regulations.
Mark White	Supports the proposed AMC Regulations. Supports deleting "or performance of services that violates the Uniform Standards of	Thank you for your comment supporting the regulations.

	<p>Professional Appraisal Practice,” (USPAP) from the definition of “timely payment” in 18 VAC 130-30-10 of the proposed regulations since only the Board, after a lengthy time period, can determine whether a USPAP violation has occurred. Supports requiring AMC’s to provide appraisers with their AMC license number in the engagement letter.</p>	
<p>Scott Dibiasio</p>	<p>Supports the proposed AMC Regulations. Supports requiring the bond or letter of credit to remain in place for a period of time after license expiration, surrender or revocation to ensure that valid claims against the licensee be paid after the license is expired, surrendered or revoked.</p>	<p>Thank you for your comment supporting the regulations. The board doesn’t believe it needs to make changes to the regulation as the bond expiration date is not tied to the license expiration.</p>
<p>Bernie Bugg</p>	<p>Supports the proposed AMC Regulations. Supports requiring the bond or letter of credit to be a minimum of \$100,000 instead of \$25,000.</p>	<p>Thank you for your comment supporting the regulations. Chapter 210 of the 2014 Acts of Assembly amended the Code of Virginia to require a bond or letter of credit in the amount of \$100,000 which will be reflected in the regulation.</p>
<p>Perry E. “Pat” Turner, Jr.</p>	<p>Supports increasing the \$490 initial AMC license application fee as \$490 may be inadequate. Supports the Board considering and eventually determining what are customary and reasonable fees for appraisal services performed in the market areas of properties being appraised. The Virginia Coalition of Appraiser Professionals and other professional appraisal organizations have enlisted Virginia Tech to conduct a customary and reasonable fee study. The set VA fee and the Louisiana License Law requiring appraisers be compensated at a customary and reasonable rate by AMC’s will assist the Board in this task. Supports interpreting the definition of AMC broadly to include all business entities practicing as AMC’s since it appears some AMC’s are claiming they are not AMC’s. Supports requiring the bond or letter of credit to remain in place for a period of time after license expiration,</p>	<p>Application fees are determined by staff after it conducts a fee analysis. Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute. The board doesn’t believe it needs to make changes to the regulation as the bond expiration date is not tied to the license expiration. The regulations contain a provision for requiring the AMC to put its license number on reports and for disclosing fees in the appraisal report.</p>

	<p>surrender or revocation to ensure that valid claims against the licensee be paid after the license is expired, surrendered or revoked. Supports requiring appraisers to place the AMC license number on each appraisal report. Supports requiring appraisers who are required by an AMC to pay the AMC the \$50 National Registry biennial fee as a condition to receive an assignment disclose this payment in the appraisal report as disclosing this fee may be a USPAP requirement.</p>	
Walt Manz	<p>Supports prohibiting AMCs from passing on to the individual appraiser the AMC National Registry \$50 biennial fee for each appraiser working for or contracting with an AMC. Supports requiring AMCs to send in their correct address of record with the Board when sending in their license renewal fee.</p>	<p>The board believes the proposed language regarding the National Registry fee reflects the requirements imposed by FIRREA. The regulations contain a provision for requiring the AMC to report address changes.</p>
Alex Uminski	<p>Supports the proposed AMC Regulations. Supports interpreting the definition of AMC broadly to include all business entities practicing as AMCs since it appears some AMCs are claiming they are “portals” and not AMCs. Supports establishing a separate and distinct definition for “portal.”</p>	<p>Thank you for your comment supporting the regulations. The definition of appraisal management company is found in the § 54.1-2010 of the Code of Virginia.</p>
Paul Boyer	<p>Opposes the Board collecting a \$50 AMC National Registry biennial fee for every appraiser working for or contracting with an AMC as this is not the intent of §1109, Title XII of Chapter 34A Appraisal Subcommittee (ASC) of the Federal Financial Institutions Reform Recovery and Enforcement Act (FIRREA) of 1989 as amended. The National Registry fee is already paid by independent appraisers in Virginia, so, by collecting this fee also, the Board would be “double-dipping” and making doing business in Virginia cost-prohibitive. Opposes requiring the AMC’s “responsible person” to be a</p>	<p>The National Registry fee referenced in the regulations is for the AMC National Registry which is separate from the Appraiser National Registry. As set forth in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), §1109 of FIRREA [12 U.S.C. 3338] requires each state’s licensing agency to collect an annual National Registry fee from individual appraisers [§ 1109.a.4.A] and from AMCs [§ 1109.a.4.B]. The board will remove the AMC National Registry fee from its regulations since the AMC National Registry is not in effect at this time. The definition of “responsible person” in the regulation clarifies the requirements in the law. Section 54.1-2021.1 of the Code of Virginia requires the responsible person to be a licensed appraiser in Virginia however, it does</p>

	<p>Virginia resident licensed appraiser as it would be burdensome for his Pennsylvania-based AMC to recruit and hire a Virginia resident licensed appraiser to serve as the company’s responsible person.</p>	<p>not require Virginia residency.</p>
<p>Danielle Gatsos</p>	<p>Opposes the Board collecting a \$50 AMC National Registry biennial fee for every appraiser working for or contracting with an AMC. WCCI has 75 appraisers on its Virginia panel. The \$50 biennial fee would cost their AMC \$3,750 every two years and likely cause them to reduce its panel of appraisers. Consequently, this would likely result in lower appraisal quality, lower appraisal fees, higher consumer rates, and reduce competition by driving many appraisal providers out of business.</p>	<p>The National Registry fee referenced in the regulations is for the AMC National Registry. As set forth in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), §1109 of FIRREA [12 U.S.C. 3338] requires each state’s licensing agency to collect an annual National Registry from AMCs for each appraiser working for or contracting with the appraisal management company [§ 1109.a.4.B]. The board will remove the AMC National Registry fee from its regulations since the AMC National Registry is not in effect at this time.</p>
<p>Melissa Peele</p>	<p>Amend the proposed regulations to match the Louisiana AMC License Law, specifically §3415.15 - “Customary and Reasonable Fees.”</p>	<p>Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.</p>
<p>Rene Arbuckle Spoon</p>	<p>Opposes the Board collecting a \$50 AMC National Registry biennial fee for every appraiser working for or contracting with an AMC. StreetLinks, LLC is a licensed AMC in 33 states and has 796 appraisers on its Virginia panel. The \$50 biennial fee would cost their AMC \$39,800 every two years. Suggests the regulation be clarified to clearly limit the \$50 biennial fee to Virginia appraisers if this is its intent. Also suggests the regulation be clarified to distinguish the ASC National AMC Registry from the ASC’s National Registry of individual Appraisers. The DPB Economic Impact Analysis indicates that 90%, or 3,055, of Virginia licensed appraisers will be included on one of the estimated 150 licensed AMCs’ panels thereby resulting in a biennial total of \$152,750 paid in National Registry fees. This figure does not take into account that many Virginia appraisers will likely serve on multiple AMC panels</p>	<p>The National Registry fee referenced in the regulations is for the AMC National Registry which is separate from the Appraiser National Registry. As set forth in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), §1109 of FIRREA [12 U.S.C. 3338] requires each state’s licensing agency to collect an annual National Registry fee from individual appraisers [§ 1109.a.4.A] and from AMCs for each appraiser working for or contracting with the appraisal management company [§ 1109.a.4.B]. The board will remove the AMC National Registry fee from its regulations since the AMC National Registry is not in effect at this time.</p>

	thereby resulting in a higher biennial total paid in National Registry fees. Suggests the Board study the National Registry fee further to determine an alternate and more equitable method for collecting the AMC Registry fee.	
Ryan Lusk	The AMC system improperly controls appraisers with low fees and unreasonable deadlines.	The regulations set minimum qualifications for licensure to provide public protection. Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
Robert E. Chipman	AMCs are diminishing the appraisal profession. AMCs slack on timely payments to appraisers, force appraisers to reduce fees or risk being removed from their lists and pressure appraisers to meet needed values.	The regulations address the issues you raise regarding timely payments, being removed from lists and being pressured to meet values.
Mark Bird	The advent of AMCs has harmed the real estate appraisal profession. Virginia should amend its law to match the Louisiana AMC License Law.	The board's regulations implement Virginia's law.
Brooks Sinnen	Supports the proposed AMC Regulations. Supports a "customary and reasonable fees" requirement for all AMCs such as that required by the Louisiana AMC License Law.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
Rita TenBroeck	Supports the proposed AMC Regulations. Supports a requirement that AMCs disclose their fee to the consumer. Objects to the notion that an AMC that provides a technical review/analysis is not an AMC, but is instead a "portal," and does not qualify for AMC regulation. Opposes AMC disclaimers requiring a "hold harmless" agreement.	The regulations address the issues you raise regarding appraisers disclosing their fees and requiring appraisers to sign an indemnification to hold the AMC harmless.
Michael G. Caison	Supports the proposed AMC Regulations. Supports a "customary and reasonable fees" requirement for all AMCs such as that required by the Louisiana AMC License Law.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
Norman Douglas	Supports regulating AMCs in Virginia. Supports requiring AMCs	The regulations define timely payment as being within 30 days and make it a prohibited act for

	to pay fees timely. Supports the Louisiana AMC License Law model.	an AMC to withhold timely payment. Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
Stephen R. Blue	Supports the proposed AMC Regulations. Supports a “customary and reasonable fees” requirement for AMCs. Concerned that lenders and AMCs are charging appraisers “back-door” fees in the name of portal maintenance, technology and appraisal reviews, which distorts the actual cost of the appraisal.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
Bernie C. Bugg, Jr.	Supports the proposed AMC Regulations. Supports a “customary and reasonable fees” requirement for all AMCs such as that required by the Louisiana AMC License Law.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
Glen Pizzanello	Supports the proposed AMC Regulations. Supports a “customary and reasonable fees” requirement for all AMCs such as that required by the Louisiana AMC License Law.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
Bob Hummer	AMCs are destroying the appraisal profession. They do not pay reasonable fees, assign work to appraisers who are outside the subject’s property area, are slow to pay appraisers, and demand short turn-around times. Supports Virginia adopting regulations similar to those adopted in Louisiana.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute. The regulations define timely payment as being within 30 days and make it a prohibited act for an AMC to withhold timely payment.
David Anderson	Supports the proposed AMC Regulations. Supports a “customary and reasonable fees” requirement for all AMCs such as that required by the Louisiana AMC License Law.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
David R. Belote	Supports the proposed AMC Regulations. Supports a “customary and reasonable fees” requirement for AMCs. Supports AMC legislation similar to the Louisiana AMC License Law, including a “customary and reasonable fees” requirement for all AMCs. The number of appraisers	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.

	in the Commonwealth is declining in part due to the practices of AMCs during the past 5-10 years. Has attended several Board meetings and commends the Board for its work at its meetings.	
Jeffrey Belote	Supports the “customary and reasonable fees” provisions for all AMCs such as those required by §3415.15 of the Louisiana AMC License Law. The AMC business model in Virginia has negatively affected appraisers during the past 5-7 years through lower fees, short turn-around times, assigning work to appraisers who are outside the subject property’s area, and failing to disclose the actual amount paid for an appraisal.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute. The regulations contain a provision for disclosing fees in the appraisal report.
Kim Bradley	Opposes AMCs blast emailing orders as this promotes using the least expensive, instead of the most qualified, appraiser. Supports appraiser compensation based on reasonable and customary fees not inclusive of fees established by the AMC’s payment history. Opposes AMCs being able to require appraisal companies not use 1099 contract employees. Supports AMCs that require criminal background checks for appraisers pay for these background checks.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute. The board believes its regulations implement the law and some of the issues you raise are outside the purview of the law.
Safeguard Appraisals, LLC	AMCs are destroying the appraisal profession. AMCs may be using unlicensed appraisers. Supports the proposed AMC Regulations. Supports a “customary and reasonable fees” requirement for all AMCs such as that required by the Louisiana AMC License Law.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute. The board’s law and regulations require AMCs to use licensed appraisers.
Teri Robinson	Opposes “quickest, cheapest” business practices of most AMCs. Supports AMC legislation similar to the Louisiana AMC License Law.	The board’s regulations implement Virginia’s law.
David D. Cherner	Opposes requiring the “responsible person” to only be a person. §54.1-2021.A.2.g of the Code of Virginia also permits an entity to serve as the “responsible person” for an	The board believes it regulations are clear as written and protect the public. While § 54.1-2021.A.2.g states in part “entity licensed under Chapter 20.1”, only people are licensed under this chapter. Entities are only required to be

	<p>AMC. Opposes requiring the “responsible person” to be accountable for ensuring compliance with all Board laws and regulations as the Code of Virginia makes no such requirement, and a responsible person does not have to be a “controlling person.” Only a “controlling person” should be accountable for ensuring compliance with all Board laws and regulations, and the regulation should be amended to reflect this. Suggests amending the regulation to clarify that the “good standing” requirement be limited to licenses, certificates, or registrations involving the valuation, real estate or financial services industries. Suggests the Board remove any references to paying AMC National Registry fees until the federal financial regulatory agencies adopt the final AMC registration and fee requirements. Suggests amending the regulation to require an AMC inform the Board of a “responsible person” change within five days of the person’s discharge or termination and require the AMC to notify the Board of the new responsible person within 45 business days to allow the AMC sufficient time to find an adequate replacement. Suggests amending the regulation to replace “all” with “independent” concerning the required “system in place to review the work of appraisers who may perform appraisal services...” Suggests amending the regulation to require the AMC’s license number only in the engagement document, the primary document used to enter with an independent appraiser for the performance of appraisal services as the current language is overly broad. Suggests amending the regulation to clarify whether notification time requirements are in “calendar” or “business” days. Suggests amending the draft AMC License Application to require a “controlling person” who is a director or officer</p>	<p>registered which is different from being licensed as both terms are defined in § 54.1-300. The board will remove the AMC National Registry fee from its regulations since the AMC National Registry is not in effect at this time.</p>
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	<p>sign the application instead of the “responsible person.” Suggests amending the draft AMC License Application to require “the name and contact information for the entity’s agent for service of process in the Commonwealth” comply with §54.1-2021.A.2.d of the Code of Virginia. Suggests amending Question 10 of the draft AMC License Application to clarify that the AMC should state “N/A” if there is no particular person who owns 10% or more of the AMC. Suggests amending Question 12 of the draft AMC License Application to not require the “responsible person” to disclose personal information the Board already has on file by virtue of the “responsible person” already holding a Board-issued appraiser license.</p>	
<p>Roger T. Easterling</p>	<p>Supports the proposed AMC Regulations. Supports a “customary and reasonable fees” requirement for all AMCs such as that required by the Louisiana AMC License Law.</p>	<p>Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.</p>
<p>Roger Blaha</p>	<p>Supports the proposed AMC Regulations. Supports a “customary and reasonable fees” requirement for all AMCs such as that required by the Louisiana AMC License Law. Supports requiring AMCs to provide a copy of their SCC registration with the engagement letter for each assignment. Supports requiring AMCs to provide a current copy of their Dun & Bradstreet report and a letter of credit from their bank or financial institution allowing appraisers to attach that account in the event of unpaid invoices.</p>	<p>Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute. The regulations require the AMC to be properly registered with the SCC and to have a bond or a letter of credit before the board will issue or renew its license.</p>
<p>Michael Small</p>	<p>Supports the proposed AMC Regulations. Supports clarifying the definition of AMC to include defining “portals” as AMCs since portals and AMCs act in the same capacity in many instances. Many AMCs are claiming that they are portals and not AMCS to avoid the</p>	<p>The definition of appraisal management company is found in the § 54.1-2010 of the Code of Virginia. The regulations contain a provision regarding collection of fees.</p>

	requirements of AMC licensure and regulation. Supports prohibiting AMCs from charging the appraiser or homeowner a fee for services. All fees should be paid by the client.	
Keri McNulty	Supports the proposed AMC Regulations.	Thank you for your comment supporting the regulations.
Virginia	Regulations should protect appraisers at all product levels.	The board believes its regulations protect the public.
John Sinnen	Supports the proposed AMC Regulations. AMCs cause higher appraisal fees to be collected from borrowers and less pay per appraisal to the appraiser. Consequently, good appraisers avoid working with AMCs, and less qualified appraisers get the AMC assignments. Supports a standard "customary and reasonable fees" requirement based on the standard VA fee for the state which would result in higher quality and more credible appraisals.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
Darrell Green	Supports the proposed AMC Regulations. Supports a "customary and reasonable fees" requirement for all AMCs such as that required by the Louisiana AMC License Law.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
Michael A. Ballard	Supports the proposed AMC Regulations. The current AMC system is corrupt and needs to be overhauled.	Thank you for your comment supporting the regulations.
James Burok	Supports the proposed AMC Regulations. AMCs are shortchanging consumers and appraisers.	Thank you for your comment supporting the regulations.
James Payne	Opposes lower appraisal fees caused by AMCs.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
John C. Ford	Supports the proposed AMC Regulations. Supports a "customary and reasonable fees" requirement for all AMCs.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
Jeffrey D. Ellington	Supports the proposed AMC Regulations. Wants the Board to	The board's regulations implement Virginia's law.

	review the Louisiana AMC License Law.	
Joe Millis	Supports the proposed AMC Regulations. Supports a “customary and reasonable fees” requirement for all AMCs such as that required by the Louisiana AMC License Law.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
Curtis Bucholz	Supports the proposed AMC Regulations. Supports a “customary and reasonable fees” requirement for all AMCs such as that required by the Louisiana AMC License Law.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
John Cistola	Supports the proposed AMC Regulations. Appraisers should be compensated fairly for their work.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
Rusty Gwaltney	Supports the proposed AMC Regulations. The current AMC system is faulty and harming the appraisal profession. AMCs are causing more work and less pay for appraisers.	Thank you for your comment supporting the regulations.
Tanya Alexander	Suggests amending the regulation to require an AMC inform the Board of a “responsible person” change within five days of the person’s discharge or termination and require the AMC to notify the Board of the new responsible person within 45 business days to allow the AMC sufficient time to find an adequate replacement. Suggests the Board remove any references to paying AMC National Registry fees until the federal financial regulatory agencies adopt the final AMC registration and fee requirements. Suggests amending the regulation to require the AMC’s license number only in the engagement document as the current language is overly broad and inconsistent with other state’s AMC requirements. Suggests the regulation is amended to clarify that notification time requirements are in “business” days.	The board believes it regulations are clear as written and protect the public. The board will remove the AMC National Registry fee from its regulations since the AMC National Registry is not in effect at this time.
VACAP	Supports the proposed AMC Regulations. AMCs typically select	Thank you for your comment supporting the regulations.

	the appraiser who will take the lowest fee and finish the assignment fastest	
Howard D. Hulen	Supports AMC legislation. Supports a “customary and reasonable fees” requirement of at least \$350 per appraisal for all AMCs. The minimal fee for larger properties should be higher. The cost for an appraisal remains the same as before AMCs, but AMCs are now taking 50% of the cost of an appraisal. Consequently, the least competent appraisers are getting the assignments and producing lower quality reports. Supports requiring every appraisal report to indicate how much of the fee went to the appraiser and how much went to the AMC.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute. The regulations contain a provision for disclosing fees in the appraisal report.
ACRA, LLC	Supports regulating AMCs. The current AMC system is faulty and harming the appraisal profession.	Thank you for your comment supporting the regulations.
A.L. Watkins	Supports including the following provisions from the Louisiana AMC License Law and the Dodd-Frank Act in the AMC Regulations: 1) “An appraisal management company shall compensate appraisers at a rate that is customary and reasonable for appraisals being performed in the market area of the property being appraised, consistent with the presumptions of compliance under federal law”; and 2)“Evidence for such fees may be established by objective third-party information, such as government agency fee schedules, academic studies, and independent private sector surveys.” Opposes AMCs including appraisal report fees as appraisal management fees.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.
Designated Member of NAR/VAR/RAR and VaCAP Member	Supports the proposed AMC Regulations. The current AMC system is faulty and is harming the public and the appraisal profession through low fees and quick turn-around times, which result in lower quality appraisal reports. The regulations should address customary and reasonable fees,	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute. The regulations define timely payment as being within 30 days and make it a prohibited act for an AMC to withhold timely payment. The regulations require the AMC to be properly registered with the SCC and to have a bond or a letter of credit before the board will issue or renew its license.

	<p>timely payment of appraisal fees, maintaining appraiser independence, guidelines for AMC registration with the SCC and other state agencies, bond requirements to assure financial stability, and minimal professional requirements for review appraisers employed by AMCs. The AMC fee and the appraisal fee should be separate on the HUD-1 Settlement Statement so that the consumer is aware of what services they are paying for. The decrease in the number of Virginia licensed appraisers and in the number of new appraiser trainees is related to the current faulty AMC system.</p>	
<p>Heather Fox</p>	<p>Opposes AMCs requiring appraisers to place a copy of their Errors and Omission Insurance Policy in the body of every appraisal report completed by the appraiser for the AMC. Opposes allowing appraisal management fees being taken out of appraisal fees. These are two distinct fees and every appraisal report should reflect this. Once these two fees are distinguished, then customary and reasonable fees can be determined. The regulations should address timely payment of appraisal fees, maintaining being registered with the Virginia SCC and bond requirements.</p>	<p>The regulations don't address E&O it is not addressed in the law. Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute. The regulations define timely payment as being within 30 days and make it a prohibited act for an AMC to withhold timely payment. The regulations require the AMC to be properly registered with the SCC and to have a bond or a letter of credit before the board will issue or renew its license.</p>
<p>Linda Cogburn</p>	<p>Opposes requiring the "responsible person" to only be a person. §54.1-2021.A.2.g of the Code of Virginia also permits an entity to serve as the "responsible person" for an AMC. Opposes requiring the "responsible person" to be accountable for ensuring compliance with all Board laws and regulations as the Code of Virginia makes no such requirement, and a "responsible person" does not have to be a "controlling person." Only a "controlling person" should be accountable for ensuring compliance with all Board laws and regulations, and the regulation</p>	<p>The board believes it regulations are clear as written and protect the public. While § 54.1-2021.A.2.g states in part "entity licensed under Chapter 20.1", only people are licensed under this chapter. Entities are only required to be registered which is different from being licensed as both terms are defined in § 54.1-300. The board will remove the AMC National Registry fee from its regulations since the AMC National Registry is not in effect at this time.</p>

	<p>should be amended to reflect this. Suggests amending the regulation to clarify that the “good standing” requirement be limited to licenses, certificates, or registrations involving the valuation, real estate or financial services industries. Suggests the Board remove any references to paying AMC National Registry fees until the federal financial regulatory agencies adopt the final AMC registration and fee requirements. Suggests amending the regulation to require an AMC inform the Board of a “responsible person” change within five days of the person’s discharge or termination and require the AMC to notify the Board of the new responsible person within 45 business days to allow the AMC sufficient time to find an adequate replacement. Suggests amending the regulation to replace “all” with “independent” concerning the required “system in place to review the work of appraisers who may perform appraisal services...” Suggests amending the regulation to require the AMC’s license number only in the engagement document, the primary document used to enter with an independent appraiser for the performance of appraisal services, as the current language is overly broad. Suggests the regulation is amended to clarify whether notification time requirements are in “calendar” or “business” days.</p>	
<p>Christopher Breaux</p>	<p>Supports the proposed AMC Regulations.</p>	<p>Thank you for your comment supporting the regulations.</p>
<p>Reid Adams</p>	<p>Supports the proposed AMC Regulations. Standard appraisal fees should be based on the \$400 to \$600 that borrowers are currently paying lenders for an appraisal. The current AMC system is faulty and harming the appraisal profession. Supports following the Louisiana AMC License Law and regulations.</p>	<p>Thank you for your comment supporting the regulations. Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.</p>

<p>Scott A. Smith</p>	<p>Supports the proposed AMC Regulations. Supports appraisers being paid reasonable fees for their appraisal services. Appraisers, not a middle man, should set the fees paid for their services.</p>	<p>Thank you for your comment supporting the regulations. Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.</p>
<p>Billy Chorey</p>	<p>Supports the proposed AMC Regulations. The current AMC system is faulty and harming the public and the appraisal profession.</p>	<p>Thank you for your comment supporting the regulations.</p>
<p>James Loizou</p>	<p>Supports the proposed AMC Regulations. Supports establishing a minimum fee schedule for appraisers commensurate with the minimum competency level to become an appraiser. The current AMC system is faulty and harming the public and the appraisal profession.</p>	<p>Thank you for your comment supporting the regulations. Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.</p>
<p>Karen Zirpoli</p>	<p>Supports the proposed AMC Regulations. The current AMC system is faulty and is harming the public and the appraisal profession through low fees and quick turn-around times, which result in lower quality appraisal reports. Supports giving the appraisal industry business model back to appraisers.</p>	<p>Thank you for your comment supporting the regulations</p>
<p>Thomas Runion</p>	<p>Supports separating the appraisal fee and the appraisal management fee in every appraisal report to remove the incentive for AMCs to select the fastest and least expensive appraiser, rather than selecting the most qualified appraiser.</p>	<p>The regulations contain a provision for disclosing fees in the appraisal report.</p>
<p>Betsy Hughes</p>	<p>The costs and professional requirements to become and remain an appraiser have risen significantly during the past six years, while the fees paid by AMCs and received by appraisers have decreased. Appraisers just want fair pay.</p>	<p>Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.</p>
<p>Donald Sledd</p>	<p>The current AMC system is flawed and is harming the public and the appraisal profession through low fees and quick turn-around times, which result in lower quality</p>	<p>Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute. The regulations contain a provision for disclosing fees in the appraisal report.</p>

	appraisal reports. Supports AMC payment of Customary and Reasonable Fees, separating the appraisal fee and the appraisal management fee in every appraisal report, and following the Dodd-Frank Act provision for determining Customary and Reasonable fees.	
John Osipchak	Supports amending the proposed regulations to match the Louisiana AMC License Law, specifically §3415.15 - "Customary and Reasonable Fees." Opposes allowing any bank or lender to have an ownership interest in an AMC. Opposes allowing banks and lenders having staff appraisers, although supports allowing banks and lenders having staff reviewers.	Regulating in the area of setting fees exceeds the authority granted to the board by the relevant statute.

All changes made in this regulatory action

Please list all changes that are being proposed and the consequences of the proposed changes. Describe new provisions and/or all changes to existing sections.

Section number	Proposed requirements	Other regulations and law that apply	Intent and likely impact of proposed requirements
10	This section provides the definitions of various terms used in the regulations.	§ 54.1-2020	Explanation of various terms used in regulation.
20	This section sets out the procedures for completion and submission of applications.	None	The intent of the section is to explain a complete versus incomplete application; the Board's process for requesting additional information; and the timeframe for completing an application.
30	This section provides the qualifications for licensure.	§§ 54.1-2020, 54.1-2021.1, and 54.1-204	The intent of the section is to provide the requirements for licensure of appraisal management companies.
40	This section provides information whereby the Board may deny an application for licensure and the provision to appeal the Board's decision.	§ 54.1-204; Chapter 40 of Title 2.2	The intent is to provide information concerning denial of an application and the appeal procedures.
50	This section provides the general fee requirements,	None	The intent is to provide general information on receipt of fees by

	including that fees are nonrefundable and shall not be prorated. In addition, it provides that the date fees are received determines whether or not the fees are on time.		the Department.
60	The schedule of fees is provided in this section, including the types of fees, amount of fees and when the specified fee is due.	§ 54.1-201.4	The intent is to clearly provide all fees that are payable and when they are due.
70	This section contains the general provisions related to renewal, including that licenses expire two years from the last day of the month in which the license was issued.	None	The intent is to provide that licenses are valid for two years and fees are required to renew and to clarify the expiration date.
80	This section details the provisions related to expiration and renewal of a license.	18VAC130-30-20 et seq, 18VAC130-30.30G, 18VAC130-30-60, and 18VAC130-30-120 et seq.	The intent is to provide the requirements for renewing a license issued by the Board.
90	This section provides the requirements for reinstatement. Reinstatement is required when the requirements for renewal of a license are not completed within 30 days of the license expiration date. The license may be reinstated up to one year following the expiration date. After that time, the license may not be reinstated and the regulant must apply as a new applicant and meet all current entry requirements in effect at that time.	18VAC130-30-60 and 18VAC130-30-80A, Chapter 1 of Title 54.1	The intent is to provide the provisions for reinstating a license when renewal requirements are not completed within required timeframes, as well as the time whereby reinstatement is no longer possible. Further, it provides the consequences for acting as an appraisal management company with a license which has not been reinstated.
100	This section provides for the status of a license prior to the reinstatement of the license. A regulant who applies for reinstatement of a license shall be subject to all of the laws and regulations as if the regulant had been continuously licensed and remains under the Board's authority during the entire period.	None	The intent is to provide notice to regulants that failure to renew in a timely manner does not relieve them of the obligation for compliance with the Board's requirements and emphasizes that the Board still has authority over a regulant during this time period and may discipline a regulant for violating a regulation or statute during this period.
110	This section provides the	None	The intent is to provide the

	<p>circumstances in which renewal or reinstatement of a license may be denied including any of the reasons that initial licensure may be denied, failure to meet the terms of an agreement for licensure, failure to satisfy sanctions, or failure to fully pay any monetary penalty or costs imposed by the Board.</p>		<p>provisions whereby the Board may deny renewal or reinstatement of a license.</p>
120	<p>This section provides the possible sanctions that may be imposed in the event that a regulant is found in violation of the Board's regulations or statutes or any relevant portion of the Uniform Standards of Professional Appraisal Practice.</p>	<p>Chapters 20.1 and 20.2 of Title 54.1.</p>	<p>The intent is to provide the regulant and public with the Board's authority as to the imposition of sanctions for violating the Board's regulations.</p>
130	<p>This section provides the requirements for maintaining a license as an appraisal management company. These provisions include prohibition of assigning or transferring a license; requirement to report, in writing, all changes of address to the Board within 30 days; requirement to notify the Board of any change in the qualifications for licensure within 30 days of the change; and the requirement to notify the Board of the cancellation, amendment, expiration, or any other change of any bond or letter of credit within five days of the change.</p>	<p>18VAC 130-30-30 and § 54.1-2021.1</p>	<p>The intent is to provide the regulant with the requirements, including applicable timeframes, for maintaining an appraisal management company license.</p>
140	<p>This section requires that regulants who change the business entity must obtain a new license as licenses are not transferable from one entity to another. The dissolution or alteration of a business entity causes the license to become void and must be returned to the Board within 30 days of the</p>	<p>None</p>	<p>The intent of the regulation is to clarify that licenses are issued to entities and may not be transferred from one entity to another.</p>

	<p>change. Such changes include: cessation of the business or the voluntary termination of a sole proprietorship or partnership; death of a sole proprietor; formation, reformation, or dissolution of a general partnership, limited partnership, corporation, limited liability company, association, or any other business entity recognized under the laws of the Commonwealth; or the suspension or termination of the corporation's existence by the State Corporation Commission. The regulation further requires that the new license must be obtained when the new firm is formed and before engaging in any activity regulated by the regulations of the Board or by Chapter 20.2 of Title 54.1.</p>		
150	<p>This section requires that regulants notify the Board of any adverse action, including: any disciplinary action taken by another jurisdiction, board, or administrative body of competent jurisdiction; any voluntary surrendering of a license, certificate, or registration done in connection with a disciplinary action in another jurisdiction; or any conviction, finding of guilt, or plea of guilty of any felony or misdemeanor in any jurisdiction. The section requires that the Board be notified within 30 days of the action and specifies the documentation which must be submitted relating to the action.</p>	§ 54.1-204	<p>The intent of the regulation is to provide the actions which the Board must be notified of in order to ensure the regulant meets the standards of conduct and practice for licensure.</p>
160	<p>This section details the acts which regulants are prohibited from engaging in</p>	<p>Chapter 20.2 of Title 54.1, § 54.1-111, § 54.1-2021.1, 18VAC130-30-</p>	<p>The intent of the regulation is to provide information on specific acts which are prohibited by the</p>

	<p>and the violations from which disciplinary action may result. The prohibited acts include the following: violating, inducing another to violate, or cooperating with others in violating any of the provisions of any of the regulations of the Board or statutes applicable to the Board; allowing the appraisal management company license to be used by another; obtaining or attempting to obtain a license by false or fraudulent representation, or maintaining, renewing, or reinstating a license by false or fraudulent representation; a regulant having been convicted, found guilty, or disciplined in any jurisdiction of any offense or violation enumerated in 18VAC130-30-150 of the regulation; failing to inform the board in writing within 30 days that the regulant was convicted, found guilty, or disciplined in any jurisdiction of any offense or violation enumerated in 18VAC130-30-150 of the regulation; failing to report a change as required by 18VAC130-30-130 or 18VAC130-30-140; engaging in dishonest or fraudulent conduct; failing to satisfy any judgments or restitution orders entered by a court or arbiter of competent jurisdiction; engaging in acts enumerated in § 54.1-2022 A-D; failing to safeguard the interests of the public; advertising in a name other than which the appraisal management company is licensed; failing to maintain the bond or letter of credit as required; failing to have a system in place to review the work of all appraisers</p>	<p>30G, 18VAC130-30-130, 18VAC130-30-140, 18VAC130-30-150 and § 54.1-2022 A-D</p>	<p>Board and which may result in disciplinary action if a regulant is to be found in violation.</p>
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	<p>that may perform appraisal services for the appraisal management company; failing to maintain detailed records; failing to have a system in place ensure compliance with § 129E of the Truth in Lending Act; and failing to include the regulant's Virginia license number on all contracts, agreements, letters of engagement or other documentation entered with an independent appraiser for the performance of appraisal services.</p>		
<p>170</p>	<p>This section requires that regulants respond to inquiries by the board or any of its agents regarding any complaint filed with the Department within 10 days of the request; that the regulant produce any documents requested by the board or any of its agents within 10 days, unless extended by the board upon a showing of extenuating circumstances prohibiting delivery within 10 days; the regulant may not provide a false, misleading, or incomplete response to the board or its agents seeking information in the investigation of a complaint filed with the board; and the regulant must respond to any inquiry by the board or its agents, other than requested by the previous subsections, within 21 days.</p>	<p>None</p>	<p>The intent is to notify regulants they are required to respond to any inquiries or requests for records made by the Board or its agents within specified timeframes.</p>