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COMMONWEALTH OF VIRGINIA  
REAL ESTATE APPRAISER BOARD



**APPRAISAL MANAGEMENT  
COMPANY REGULATIONS**

Effective January 15, 2020

STATUTES  
Title 54.1, Chapter 20.2



Department of Professional and Occupational Regulation

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**NOTICE**  
**SUMMARY OF SIGNIFICANT CHANGES**

Included in this document are relevant excerpts from the Virginia Administrative Code. Please note that the Real Estate Appraiser Board is responsible for promulgating regulations in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), and the Virginia Code Commission is responsible for compiling and codifying all of the administrative regulations of state agencies into the Virginia Administrative Code.

It is your responsibility to stay informed and follow all regulations and statutes governing your profession or occupation. As a regulant of the Board, you should read and become familiar with all regulations applicable to your profession or occupation. You can stay informed of regulatory actions that may result in changes to the regulations at Virginia Regulatory Town Hall ([www.townhall.virginia.gov](http://www.townhall.virginia.gov)).

This document is a complete, edited (unofficial) copy of the 2020 Regulations. Please refer to the Virginia Administrative Code for an official copy of the regulations applicable to your profession or occupation. You can access the Virginia Administrative Code online at <http://leg1.state.va.us/000/reg/TOC.HTM>.

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**PART I.**  
**GENERAL**

**18 VAC 130-30-10. Definitions.**

A. Section 54.1-2020 of the Code of Virginia provides definitions of the following terms and phrases as used in this chapter:

"Appraisal management company"

"Appraisal services"

"Appraiser"

"Board"

"Employee"

"Uniform Standards of Professional Appraisal Practice"

B. The following words and phrases when used in this chapter shall have the following meanings unless the context clearly indicates otherwise:

"Address of record" means the mailing address designated by the regulant to receive notices and correspondence from the board. Notice mailed to the address of record by certified mail, return receipt requested, shall be deemed valid notice.

"Applicant" means an appraisal management company that has submitted an application for licensure.

"Application" means a completed, board-prescribed form submitted with the appropriate fee and other required documentation.

"Controlling person" means (i) an owner, officer, or director of a corporation or a partnership or a managing member of a limited liability company or other business entity seeking to offer appraisal management services; (ii) an individual employed, appointed, or authorized by an appraisal management company who has the authority to enter into a contractual relationship with other persons for the performance of appraisal management services and has the authority to enter into agreements with appraisers for the performance of appraisals; or (iii) an individual who possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of an appraisal management company.

"Department" means the Virginia Department of Professional and Occupational Regulation.

"Direct supervision" means exercising oversight and direction of, and control over, the work of another.

"Firm" means a sole proprietorship, association, partnership, corporation, limited liability company, limited liability partnership, or any other form of business organization recognized under the laws of the Commonwealth of Virginia and properly registered, as may be required, with the Virginia State Corporation Commission.

"Regulant" means an appraisal management company as defined in § 54.1-2020 of the Code of Virginia that holds a license issued by the board.

"Reinstatement" means the process and requirements through which an expired license can be made valid without the regulant having to apply as a new applicant.

"Renewal" means the process and requirements for periodically approving the continuance of a license.

"Responsible person" means a person licensed under Chapter 20.1 (§ 54.1-2009 et seq.) of Title 54.1 of the Code of Virginia who shall be designated by each regulant to ensure compliance with Chapter 20.2 (§ 54.1-2020 et seq.) of Title 54.1 of the Code of Virginia, and all regulations of the board, and to receive communications and notices from the board that may affect the regulant.

"Sole proprietor" means any individual, not a corporation or other registered business entity, who is trading under his own name or under an assumed or a fictitious name pursuant to the provisions of §§ 59.1-69 through 59.1-76 of the Code of Virginia.

"Timely payment" means payment to an appraiser for the completion of an appraisal or a valuation assignment within 30 days after the appraiser delivers the completed appraisal or valuation assignment to the appraisal management company except in cases of breach of contract or noncompliance with the conditions of the engagement or performance of services that violates the Uniform Standards of Professional Appraisal Practice.

### **Historical Notes**

Derived from Virginia Register Volume 31, Issue 7, eff. February 1, 2015.

## **PART II.**

### **ENTRY**

#### **18 VAC 130-30-20. Application procedures.**

An applicant seeking licensure shall submit an application with the appropriate fee specified in 18VAC130-30-60. Application shall be made on a form provided by the board or its agent.

By submitting the application to the department, the applicant certifies that the applicant has read and understands the applicable statutes and the board's regulations.

The receipt of an application and the deposit of fees by the board does not indicate approval by the board.

The board may make further inquiries and investigations with respect to the applicant's qualifications to confirm or amplify information supplied. All applications shall be completed in accordance with the instructions contained in this chapter and on the application. Applications will not be considered complete until all documents are received by the board.

A firm will be notified within 30 days of the board's receipt of an initial application if the application is incomplete. A firm that fails to complete the process within 12 months of receipt of the application in the board's office must submit a new application and fee.

#### **Historical Notes**

Derived from Virginia Register Volume 31, Issue 7, eff. February 1, 2015.

#### **18 VAC 130-30-30. Qualifications for licensure as an appraisal management company.**

A. Firms that meet the definition of appraisal management company as defined in § 54.1-2020 of the Code of Virginia shall submit an application on a form prescribed by the board and shall meet the requirements set forth in § 54.1-2021.1 of the Code of Virginia, as well as the additional qualifications of this section.

B. Any firm acting as an appraisal management company as defined in § 54.1-2020 of the Code of Virginia shall hold a license as an appraisal management company. All names under which the appraisal management company conducts business shall be disclosed on the application. The name under which the firm conducts business and holds itself out to the public (i.e., the trade or fictitious name) shall also be disclosed on the application. Firms shall be organized as business entities under the laws of the Commonwealth of Virginia or otherwise authorized to transact business in Virginia. Firms shall register any trade or fictitious names with the State Corporation Commission or the clerk of the court in the county or jurisdiction where the business is to be conducted in accordance with §§ 59.1-69 through 59.1-76 of the Code of Virginia before submitting an application to the board.

C. The applicant for an appraisal management company license shall disclose the firm's mailing address and the firm's physical address. A post office box is only acceptable as a mailing address when a physical address is also provided.

D. In accordance with § 54.1-204 of the Code of Virginia, each applicant for an appraisal management company license shall have any person who owns 10% or more of the firm and the controlling person of the firm submit to fingerprinting and a background investigation and disclose the following information:

1. All felony convictions.

2. All misdemeanor convictions in any jurisdiction that occurred within five years of the date of application.

3. Any plea of nolo contendere or finding of guilt regardless of adjudication or deferred adjudication shall be considered a conviction for the purposes of this section. The record of conviction certified or authenticated in such form as to be admissible in evidence under the laws of the jurisdiction where convicted shall be admissible as prima facie evidence of such guilt.

E. The applicant for an appraisal management company license, the controlling person, the responsible person, and any person who owns 10% or more of the firm shall be in good standing in Virginia and in every jurisdiction and with every board or administrative body where licensed, certified, or registered, and the board, in its discretion, may deny licensure to any applicant who has been subject to, or whose controlling person or responsible person has been subject to, or any person who owns 10% or more of the firm has been subject to, any form of adverse disciplinary action, including (i) reprimand; revocation, suspension, or denial of license; imposition of a monetary penalty; requirement to complete remedial education, or any other corrective action in any jurisdiction or by any board or administrative body or (ii) surrender of a license, a certificate, or registration in connection with any disciplinary action in any jurisdiction prior to obtaining licensure in Virginia.

F. The board shall deny the application for licensure of an applicant for an appraisal management company if any person or entity that owns any part of the appraisal management company has had a license to act as an appraiser refused, denied, canceled, surrendered in lieu of revocation, or revoked in Virginia or any jurisdiction.

G. The applicant for an appraisal management company license shall be in compliance with the standards of conduct and practice set forth in Part V (18VAC130-30-120 et seq.) of this chapter at the time of application, while the application is under review by the board, and at all times when the license is in effect.

H. The applicant for an appraisal management company license shall submit evidence of a bond or letter of credit in accordance with § 54.1-2021.1 D of the Code of Virginia. Proof of current bond or letter of credit with the appraisal management company as the named bond holder or letter of credit holder must be submitted to obtain or renew the license. The bond or letter of

credit must be in force no later than the effective date of the license and shall remain in effect through the date of expiration of the license. The bond or letter of credit shall include:

1. The principal of the bond or letter of credit;
  2. The beneficiary of the bond or letter of credit;
  3. The name of the surety or financial institution that issued the bond or letter of credit;
  4. The bond or letter of credit number as assigned by the issuer;
  5. The dollar amount; and
  6. The expiration date or, if self-renewing, the date by which the bond or letter of credit shall be renewed.
- I. The firm shall provide the name, address, and contact information for any person or entity that owns 10% or more of the appraisal management company.
- J. The firm shall designate a responsible person.

#### **Historical Notes**

Derived from Volume 31, Issue 07, eff. February 1, 2015; amended, Virginia Register Volume 36, Issue 08, eff. January 15, 2020.

#### **18 VAC 130-30-40. Application denial.**

The board may refuse initial licensure due to an applicant's failure to comply with entry requirements or for any of the reasons the board may discipline a regulant.

#### **Historical Notes**

Derived from Virginia Register Volume 31, Issue 7, eff. February 1, 2015.



**PART III.**

**FEES**

**18 VAC 130-30-50. General fee requirements.**

All fees are nonrefundable and shall not be prorated. The date on which the fee is received by the department or its agent will determine whether the fee is on time. Checks or money orders shall be payable to the Treasurer of Virginia.

**Historical Notes**

Derived from Virginia Register Volume 31, Issue 7, eff. February 1, 2015.

**18 VAC 130-30-60. Fee schedule.**

Fee Type	Fee Amount	When Due
Initial Application - Appraisal Management Company	\$340	With application
Renewal - Appraisal Management Company	\$150	With renewal application
Reinstatement - Appraisal Management Company	\$490 (includes a \$340 reinstatement fee in addition to the regular \$150 renewal fee)	With reinstatement application

For licenses expiring on August 31, 2019, and before February 1, 2020, the renewal fee shall be as follows:

Renewal - Appraisal Management Company	\$75	With renewal application
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For licenses expiring on August 31, 2019, and before February 1, 2020, the reinstatement fee shall be as follows:

Reinstatement - Appraisal Management Company	\$415 (includes a \$340 reinstatement fee in addition to the \$75 renewal fee)	With reinstatement application
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Each appraisal management company shall be assessed a National Registry fee in accordance with § 1109 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12

USC §§ 3331-3356) (the Act). The National Registry fee will be \$25 multiplied by the number of appraisers working for or contracting with the appraisal management company in Virginia during the previous year. The minimum National Registry fee will be \$25. This fee may be adjusted and charged to the appraisal management company in accordance with the Act. If an applicant fails to qualify for licensure, then the National Registry fee will be refunded.

### **Historical Notes**

Derived from Volume 31, Issue 07, eff. February 1, 2015; amended, Virginia Register Volume 34, Issue 09, eff. February 1, 2018; Volume 35, Issue 19, eff. July 1, 2019.

## **PART IV.**

### **RENEWAL AND REINSTATEMENT.**

#### **18 VAC 130-30-70. Renewal required.**

A license issued under this chapter shall expire one year from the last day of the month in which it was issued. A fee shall be required for renewal.

#### **Historical Notes**

Derived from Volume 31, Issue 07, eff. February 1, 2015; amended, Virginia Register Volume 35, Issue 19, eff. July 1, 2019.

#### **18 VAC 130-30-80. Expiration and renewal.**

A. Prior to the expiration date shown on the license, licenses shall be renewed upon (i) completion of the renewal application, (ii) submittal of proof of current bond or letter of credit as detailed in 18VAC130-30-30 H, and (iii) payment of the fees specified in 18VAC130-30-60.

B. The board will mail a renewal notice to the regulant at the last known mailing address of record. Failure to receive this notice shall not relieve the regulant of the obligation to renew. If the regulant fails to receive the renewal notice, a copy of the license may be submitted with the required fees as an application for renewal. By submitting an application for renewal, the regulant is certifying continued compliance with the standards of conduct and practice in Part V (18VAC130-30-120 et seq.) of this chapter.

C. Applicants for renewal shall continue to meet all of the qualifications for licensure set forth in Part II (18VAC130-30-20 et seq.) of this chapter.

#### **Historical Notes**

Derived from Virginia Register Volume 31, Issue 7, eff. February 1, 2015.

#### **18 VAC 130-30-90. Reinstatement of appraisal management company license required.**

A. If all of the requirements for renewal of a license as specified in 18VAC130-30-80 A are not completed within 30 days of the license expiration date, the regulant shall be required to reinstate the license by meeting all renewal requirements and by paying the reinstatement fee specified in 18VAC130-30-60.

B. A license may be reinstated for up to one year following the expiration date. After one year, the license may not be reinstated under any circumstances and the firm must meet all current entry requirements and apply as a new applicant.

C. Any regulated activity conducted subsequent to the license expiration date may constitute unlicensed activity and be subject to prosecution under Chapter 1 (§ 54.1-100 et seq.) of Title 54.1 of the Code of Virginia.

**Historical Notes**

Derived from Virginia Register Volume 31, Issue 7, eff. February 1, 2015.

**18 VAC 130-30-100. Status of license during the period prior to reinstatement.**

A regulant that applies for reinstatement of a license shall be subject to all laws and regulations as if the regulant had been continuously licensed. The regulant shall remain under and be subject to the disciplinary authority of the board during this entire period.

**Historical Notes**

Derived from Virginia Register Volume 31, Issue 7, eff. February 1, 2015.

**18 VAC 130-30-110. Board discretion to deny renewal or reinstatement.**

The board may deny renewal or reinstatement of a license for the same reasons as the board may refuse initial licensure or discipline a regulant.

The board may deny renewal or reinstatement of a license if the regulant has been subject to a disciplinary proceeding and has not met the terms of an agreement for licensure or other board order, has not satisfied all sanctions, or has not fully paid any monetary penalties and costs imposed by the board, plus any accrued interest.

**Historical Notes**

Derived from Virginia Register Volume 31, Issue 7, eff. February 1, 2015.

## **PART V.**

### **STANDARDS OF CONDUCT AND PRACTICE**

#### **18 VAC 130-30-120. Grounds for disciplinary action.**

The board has the power to fine any regulant, to place any regulant on probation, and to suspend or revoke any license issued under the provisions of Chapter 20.2 (§ 54.1-2020 et seq.) of Title 54.1 of the Code of Virginia and the regulations of the board, in accordance with § 54.1-201.A.7 and § 54.1-202 of the Code of Virginia and the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia) when any regulant has been found to have violated or cooperated with others in violating any provision of Chapter 20.2 of Title 54.1 of the Code of Virginia, any relevant provision of the Uniform Standards of Professional Appraisal Practice as developed by the Appraisal Standards Board of the Appraisal Foundation, or any regulation of the board.

#### **Historical Notes**

Derived from Virginia Register Volume 31, Issue 7, eff. February 1, 2015.

#### **18 VAC 130-30-130. Maintenance of license.**

A. No license issued by the board shall be assigned or otherwise transferred.

B. A regulant shall report, in writing, all changes of address to the board within 30 days of the change and shall return the license to the board. In addition to the address of record, a physical address is required for each license. If the regulant holds more than one license, certificate, or registration, the regulant shall inform the board of all licenses, certificates, and registrations affected by the address change.

C. Any change in any of the qualifications for licensure found in 18VAC130-30-30 shall be reported to the board within 30 days of the change.

D. Notwithstanding the provisions of subsection C of this section, a regulant shall report the cancellation, amendment, expiration, or any other change of any bond or letter of credit submitted in accordance with 18VAC130-30-30 H within five days of the change.

E. A regulant shall report to the board the discharge or termination of the responsible person and provide to the board the new responsible person designated by the regulant within five business days of the discharge or termination and name a new responsible person.

#### **Historical Notes**

Derived from Virginia Register Volume 31, Issue 7, eff. February 1, 2015.

**18 VAC 130-30-140. Change of business entity requires a new license.**

A. Licenses are issued to firms as defined in this chapter and are not transferable. Whenever the legal business entity holding the license is dissolved or altered to form a new business entity, the license becomes void and shall be returned to the board within 30 days of the change. Such changes include but are not limited to:

1. Cessation of the business or the voluntary termination of a sole proprietorship or general partnership;
2. Death of a sole proprietor;
3. 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 of Virginia; or
4. The suspension or termination of the corporation's existence by the State Corporation Commission.

B. When a new firm is formed, the new firm shall apply for a new license on a form provided by the board before engaging in any activity regulated by Chapter 20.2 (§ 54.1-2020 et seq.) of Title 54.1 of the Code of Virginia or the regulations of the board.

**Historical Notes**

Derived from Virginia Register Volume 31, Issue 7, eff. February 1, 2015.

**18 VAC 130-30-150. Notice of adverse action.**

A. Licensed appraisal management companies shall notify the board of the following actions against the firm, the responsible person, any controlling person, or any person who owns 10% or more of the firm:

1. Any disciplinary action taken by any jurisdiction, board, or administrative body of competent jurisdiction, including, but not limited to, any reprimand; license or certificate revocation, suspension, or denial; monetary penalty; or requirement for remedial education or other corrective action.
2. Any voluntary surrender of a license, certificate, or registration done in connection with a disciplinary action in another jurisdiction.
3. Any conviction, finding of guilt, or plea of guilty, regardless of adjudication or deferred adjudication, in any jurisdiction of the United States of any misdemeanor involving moral turpitude, sexual offense, drug distribution, or physical injury, or any felony, there being no appeal pending therefrom or the time for appeal having lapsed. Review of convictions shall be subject to the requirements of § 54.1-204 of the Code of Virginia. Any plea of nolo contendere shall be considered a conviction for the purpose of this section.

B. The notice must be made to the board in writing within 30 days of the action. A copy of the order or other supporting documentation must accompany the notice. The record of conviction,

finding, or case decision shall be considered prima facie evidence of a conviction or finding of guilt.

### **Historical Notes**

Derived from Virginia Register Volume 31, Issue 7, eff. February 1, 2015.

### **18 VAC 130-30-160. Prohibited acts.**

The following acts are prohibited and any violation may result in disciplinary action by the board:

1. Violating, inducing another to violate, or cooperating with others in violating any of the provisions of any of the regulations of the board or Chapter 20.2 (§ 54.1-2020 et seq.) of Title 54.1 of the Code of Virginia, or engaging in any acts enumerated in § 54.1-111 of the Code of Virginia.
2. Allowing a license issued by the board to be used by another.
3. Obtaining or attempting to obtain a license by false or fraudulent representation, or maintaining, renewing, or reinstating a license by false or fraudulent representation.
4. The regulant, the responsible person, any controlling person, or any person who owns 10% or more of the firm having been convicted, found guilty, or disciplined in any jurisdiction of any offense or violation enumerated in 18VAC130-30-150.
5. Failing to inform the board in writing within 30 days that the regulant, the responsible person, any controlling person, or any person who owns 10% or more of the firm was convicted, found guilty, or disciplined in any jurisdiction of any offense or violation enumerated in 18VAC130-30-150.
6. Failing to report a change as required by 18VAC130-30-130 or 18VAC130-30-140.
7. Engaging in dishonest or fraudulent conduct as an appraisal management company.
8. Failing to satisfy any judgments or restitution orders entered by a court or arbiter of competent jurisdiction.
9. Engaging in any acts enumerated in subsections A through D of § 54.1-2022 of the Code of Virginia.
10. Failing to act as an appraisal management company in a manner that safeguards the interests of the public.
11. Advertising in any name other than the name or names in which licensed.
12. Failing to maintain the bond or letter of credit as required by 18VAC130-30-30 H.
13. Failing to have a system in place to review the work of all appraisers who may perform appraisal services for the appraisal management company on a periodic basis to ensure that the appraisal services are being conducted in conformance with the Uniform Standards of Professional Appraisal Practice.

14. Failing to maintain a detailed record of the following: (i) each request for an appraisal service that the appraisal management company receives and the date the appraiser delivers the completed appraisal or valuation assignment to the appraisal management company, (ii) the name of each independent appraiser who performs the appraisal, (iii) the physical address or legal identification of the subject property, (iv) the name of the appraisal management company's client for the appraisal, (v) the amount paid to the appraiser, and (vi) the amount paid to the appraisal management company.

15. Failing to have a system in place to ensure compliance with § 129E of the Truth in Lending Act (15 USC § 1601 et seq.).

16. 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.

### **Historical Notes**

Derived from Virginia Register Volume 31, Issue 7, eff. February 1, 2015.

### **18 VAC 130-30-170. Response to inquiry and provision of records.**

A. A regulant must respond within 10 days to a request by the board or any of its agents regarding any complaint filed with the department.

B. Unless otherwise specified by the board, a regulant of the board shall produce to the board or any of its agents within 10 days of the request any document, book, or record concerning any transaction pertaining to a complaint filed in which the regulant was involved, or for which the regulant is required to maintain records for inspection and copying by the board or its agents. The board may extend such time frame upon a showing of extenuating circumstances prohibiting delivery within such 10-day period.

C. A regulant shall not provide a false, misleading, or incomplete response to the board or any of its agents seeking information in the investigation of a complaint filed with the board.

D. With the exception of the requirements of subsections A and B of this section, a regulant must respond to an inquiry by the board or its agents within 21 days.

### **Historical Notes**

Derived from Virginia Register Volume 31, Issue 7, eff. February 1, 2015.



## NOTICE

Included in this booklet are relevant excerpts from the *Code of Virginia*. Please note that the Virginia General Assembly is responsible for creating and amending the Code, not the Real Estate Appraiser Board. The version contained herein was approved during the 2018 session of the General Assembly and took effect on July 1, 2018. It is your responsibility to stay informed of revisions to the regulations and the statutes governing your profession or occupation. Please consult the General Assembly or your local library for annual changes.

### TITLE 54.1, CHAPTER 20.2

#### REAL ESTATE APPRAISAL MANAGEMENT COMPANIES.

##### **§ 54.1-2020. Definitions.**

A. As used in this chapter, unless the context clearly requires otherwise:

"Appraisal management company" means a person or entity that (i) provides appraisal management services to creditors or to secondary mortgage market participants, including affiliates; (ii) provides such services in connection with valuing a consumer's principal dwelling as security for a consumer credit transaction or incorporating such transactions into securitizations; and (iii) within a 12-month calendar year, oversees an appraiser panel of more than 15 state-certified or state-licensed appraisers in a state or 25 or more state-certified or state-licensed appraisers in two or more states. "Appraisal management company" does not include a department or division of an entity that provides appraisal management services only to that entity.

"Appraisal management services" means one or more of the following: (i) recruiting, selecting, and retaining appraisers; (ii) contracting with state-certified or state-licensed appraisers to perform appraisal assignments; (iii) managing the process of having an appraisal performed, including providing administrative services such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and secondary mortgage market participants, collecting fees from creditors and secondary mortgage market participants for services provided, and paying appraisers for services performed; and (iv) reviewing and verifying the work of appraisers.

"Appraisal services" means acting as an appraiser to provide an appraisal or appraisal review.

"Appraiser" means a person licensed or certified under § 54.1-2017 and as otherwise provided in Chapter 20.1 (§ 54.1-2009 et seq.).

"Appraiser panel" means a network, list, or roster of licensed or certified appraisers approved by an appraisal management company to perform appraisals as independent contractors for the appraisal management company. Appraisers on an appraisal management company's appraiser panel include both appraisers accepted by the appraisal management company for consideration for future appraisal assignments in covered transactions or for secondary mortgage market participants in connection with covered transactions and appraisers engaged by the appraisal management company to perform one or more appraisals in covered transactions or for secondary mortgage market participants in connection with covered transactions. An appraiser is an independent contractor for purposes of this chapter if the appraiser is treated as an independent contractor by the appraisal management company for purposes of federal income taxation.

"Board" means the Virginia Real Estate Appraiser Board.

"Employee" means an individual who has an employment relationship acknowledged by both the individual and the company and is treated as an employee for purposes of compliance with federal income tax laws.

"Uniform Standards of Professional Appraisal Practice" means the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation.

B. The definitions contained in § 54.1-2009 shall be applicable except to the extent inconsistent with the definitions contained in this chapter.

(2010, c. 508; 2012, c. 405; 2018, cc. 229, 230.)

### **§ 54.1-2021. Exemptions.**

The provisions of this chapter shall not apply to:

1. Any agency of the federal government or any agency of the Commonwealth or local government;
2. Any person or entity that exclusively employs persons on an employer and employee basis for the performance of appraisal services;
3. Any person or entity licensed pursuant to § 54.1-2017 that has as its primary business the performance of appraisal services in the Commonwealth in accordance with Chapter 20.1 (§ 54.1-2009 et seq.) and with the Uniform Standards of Professional Appraisal Practice;
4. Any person or entity licensed pursuant to § 54.1-2017 that has as its primary business the performance of appraisal services in the Commonwealth but that in the normal course of business enters into an agreement with an independent contract appraiser for the performance of appraisal services that the contracting entity cannot complete either because of the location or type of property in question;

5. Any licensed real estate broker performing activities in accordance with Chapter 21 (§ 54.1-2100 et seq.);
6. Any officer or employee of an exempt entity described in this chapter when acting in the scope of employment for the exempt entity;
7. An appraisal management company that is a subsidiary owned and controlled by a financial institution that is subject to appraisal independence standards at least as stringent as those under the Truth in Lending Act (15 U.S.C. § 1601 et seq.); or
8. A department or unit within a financial institution that is subject to direct regulation by an agency of the United States government that is a member of the Federal Financial Institutions Examination Council or its successor, or to regulation by an agency of this state, that receives a request for the performance of an appraisal from one employee of the financial institution, and another employee of the same financial institution assigns the request for the appraisal to an appraiser that is an independent contractor to the institution, except that an appraisal management company that is a wholly owned subsidiary of a financial institution shall not be considered a department or unit within a financial institution for the purposes of this subdivision.

(2010, c. 508; 2012, c. 405.)

**§ 54.1-2021.1. Appraisal management companies; license required; posting of bond or letter of credit.**

A. No person shall engage in business as an appraisal management company without a license issued by the Board.

B. 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 and provides satisfactory evidence that he has successfully:

1. Completed all requirements established by the Board that are consistent with this chapter and are reasonably necessary to implement, administer, and enforce the provisions of this chapter; and

2. Certified to the Board the following information, and such other information as may be reasonably required by the Board, regarding the person or entity seeking licensure:

- a. The name of the person or entity;

- b. The business address of the person or entity;

- c. Phone contact information for the person or entity, and email address;

- d. If the entity is not an entity domiciled in the Commonwealth, the name and contact information for the entity's agent for service of process in the Commonwealth;

- e. If the entity is not an entity domiciled in the Commonwealth, proof that the entity is properly and currently registered with the Virginia State Corporation Commission;
  - f. The name, address, and contact information for any person or any entity that owns 10 percent or more of the appraisal management company;
  - g. The name, address, and contact information for a responsible person for the appraisal management company located in the Commonwealth, who shall be a person or entity licensed under Chapter 20.1 (§ 54.1-2009 et seq.);
  - h. That any person or entity that owns any part of the appraisal management company has never had a license to act as an appraiser refused, denied, canceled, surrendered in lieu of revocation, or revoked by the Commonwealth or any other state;
  - i. That the entity has a system in place to review the work of all appraisers that may perform appraisal services for the appraisal management company on a periodic basis to ensure that the appraisal services are being conducted in accordance with the Uniform Standards of Professional Appraisal Practice;
  - j. That the entity maintains a detailed record of the following: (i) each request for an appraisal service that the appraisal management company receives; (ii) the name of each independent appraiser that performs the appraisal; (iii) the physical address or legal identification of the subject property; (iv) the name of the appraisal management company's client for the appraisal; (v) the amount paid to the appraiser; and (vi) the amount paid to the appraisal management company; and
  - k. That the entity has a system in place to ensure compliance with § 129E of the Truth in Lending Act (15 U.S.C. § 1601 et seq.).
- C. Any person that owns 10 percent or more of an appraisal management company and any controlling person of an appraisal management company seeking to be licensed pursuant to this chapter shall be of good moral character, as determined by the Board, and shall submit to a background investigation, as determined by the Board.
- D. In addition to the filing fee, each applicant for licensure shall post either a bond or a letter of credit as follows:
- 1. If a bond is posted, the bond shall (i) be in the amount of \$100,000 or any other amount as set by regulation of the Board, (ii) be in a form prescribed by regulation of the Board, and (iii) accrue to the Commonwealth for the benefit of (a) a claimant against the licensee to secure the faithful performance of the licensee's obligations under this chapter or (b) an appraiser who has performed an appraisal for the licensee for which the appraiser has not been paid. The aggregate liability of the surety shall not exceed the principal sum of the bond. A party having a claim against the licensee may bring suit directly on the surety bond. When a claimant or an appraiser is awarded a final judgment in a court of competent jurisdiction against a licensee of this section for the licensee's failure to faithfully perform its obligations under this chapter or failure to pay

an appraiser who performed an appraisal, the claimant or the appraiser may file a claim with the Board for a directive ordering payment from the bond issuer of the amount of the judgment, court costs and reasonable attorney fees as awarded by the court. Such claim shall be filed with the Board no later than 12 months after the judgment becomes final. Upon receipt of the claim against the licensee, the Board may cause its own investigation to be conducted. The amount of the bond shall be restored by the licensee to the full amount required within 15 days after the payment of any claim on the bond. If the licensee fails to restore the full amount of the bond, the Board shall immediately revoke the license of the licensee whose conduct resulted in payment from the bond.

2. If a letter of credit is posted, the letter of credit shall (i) be in the amount of \$100,000 or any other amount as set by regulation of the Board, (ii) be irrevocable and in a form approved by the Board, payable to the Department of Professional Occupational Regulation, and (iii) be for the use and the benefit of (a) a claimant against the licensee to secure the faithful performance of the licensee's obligations under this chapter or (b) an appraiser who has performed an appraisal for the licensee for which the appraiser has not been paid. The aggregate liability on the letter of credit shall not exceed the principal sum of the letter of credit. When a claimant or an appraiser is awarded a final judgment in a court of competent jurisdiction against a licensee of this section for the licensee's failure to faithfully perform its obligations under this chapter or failure to pay an appraiser who performed an appraisal, the claimant or the appraiser may file a claim with the Board for a directive ordering payment from the issuer of the letter of credit of the amount of the judgment, court costs and reasonable attorney fees as awarded by the court. Such claim shall be filed with the Board no later than 12 months after the judgment becomes final. Upon receipt of the claim against the licensee, the Board may cause its own investigation to be conducted. Upon a draw against a letter of credit, the licensee shall provide a new letter of credit in the amount required by this subdivision within 15 days after payment of any claim on the letter of credit. If the licensee fails to restore the full amount of the letter of credit, the Board shall immediately revoke the license of the licensee whose conduct resulted in payment from the bond.

(2012, c. 405; 2014, c. 210; 2018, cc. 229, 230.)

**§ 54.1-2022. Appraisal management companies.**

A. An appraisal management company shall not enter into any contracts or agreements with an independent appraiser for the performance of real estate appraisal services unless the independent appraiser is licensed to provide that service under § 54.1-2017 and as otherwise provided in Chapter 20.1 (§ 54.1-2009 et seq.).

B. The appraisal management company shall not prohibit an appraiser from disclosing in the appraisal report the actual fees charged by an appraiser for appraisal services, and shall otherwise comply with any applicable requirements of federal law including the requirements of the United States Department of Housing and Urban Development.

C. No employee, director, officer, or agent of an appraisal management company shall influence or attempt to influence the development, reporting, result, or review of a real estate appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner, including:

1. Withholding or threatening to withhold timely payment for a real estate appraisal report;
2. Withholding or threatening to withhold future business from a real estate appraiser or demoting or terminating or threatening to demote or terminate a real estate appraiser;
3. Expressly or impliedly promising future business, promotions, or increased compensation for a real estate appraiser;
4. Conditioning the ordering of a real estate appraisal report or the payment of a real estate appraisal fee, salary, or bonus on the opinion, conclusion, or valuation to be reached or on a preliminary estimate requested from a real estate appraiser;
5. Requesting or requiring that a real estate appraiser provide an estimated, predetermined, or desired valuation in a real estate appraisal report or provide estimated values or comparable sales at any time before the appraiser's completion of the appraisal report;
6. Providing to a real estate appraiser an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or targeted amount to be loaned to the borrower. However, a real estate appraiser may be provided with a copy of the sales contract for purchase transactions;
7. Allowing the removal of a real estate appraiser from a list of qualified appraisers used by any entity without prior written notice to the appraiser. The notice shall include written evidence of the appraiser's illegal conduct, substandard performance, or otherwise improper or unprofessional behavior or any violation of the Uniform Standards of Professional Appraisal Practice or licensing standards for appraisers in the Commonwealth; or
8. Any other act or practice that impairs or attempts to impair a real estate appraiser's independence, objectivity, or impartiality.

D. The appraisal management company shall not engage in any of the following:

1. Requesting or requiring a real estate appraiser to collect a fee from the borrower, homeowner, or any other person in the provision of real estate appraisal services;
2. Altering, modifying, or otherwise changing a completed appraisal report submitted by an independent appraiser without the appraiser's written knowledge and consent;
3. Use an appraisal report submitted by an independent appraiser for any other transaction, purpose or use other than for that which the appraisal was prepared; however, nothing in this section shall be construed as prohibiting an appraisal management company from providing a copy of the appraisal to a federal or state agency in the normal course of business or when providing a copy of the appraisal is otherwise required by law;
4. Requesting or requiring an appraiser to sign any indemnification agreement that would require the appraiser to defend and hold harmless the appraisal management company or any of its agents, employees or independent contractors for any liability, damage, losses, or claims arising out of the services performed by the appraisal management company or its agents, employees or independent contractors and not the services performed by the appraiser; or
5. Requesting or requiring an appraiser to provide the company with the appraiser's digital signature or seal.

E. Nothing in this section shall be construed as prohibiting an appraisal management company from requesting that a real estate appraiser:

1. Consider additional appropriate property information;
2. Provide further detail, substantiation, or explanation for the real estate appraiser's value conclusion; or
3. Correct errors in the real estate appraisal report.

(2010, c. 508; 2012, c. 405; 2013, c. 353.)

**§ 54.1-2022.1. Appraiser compensation.**

A. An appraisal management company shall compensate appraisers in compliance with § 129E(i) of the federal Truth in Lending Act (15 U.S.C. § 1601 et seq.) and regulations promulgated thereunder.

B. Except in the case of breach of contract or noncompliance with the conditions of the engagement or performance of services that violates the Uniform Standards of Professional Appraisal Practice, an appraisal management company shall compensate the appraiser within 30 days of the initial delivery by the appraiser of the completed appraisal report.

2015, c. 422; 2017, c. 666.

**§ 54.1-2023. Penalty.**

In addition to the powers vested in the Board, in any action brought under this chapter, if a court finds that a person has willfully engaged in an act or practice in violation of this chapter, the Attorney General, the attorney for the Commonwealth, or the attorney for the locality may recover for the Literary Fund, upon petition to the court, a civil penalty of not more than \$10,000 per violation. For purposes of this section, prima facie evidence of a willful violation may be shown when the Attorney General, the attorney for the Commonwealth, or the attorney for the locality notifies the alleged violator by certified mail that an act or practice is a violation of this chapter and the alleged violator, after receipt of the notice, continues to engage in the act or practice.

Violations of this chapter shall constitute separate and distinct offenses. If the acts or activities violating this chapter also violate another provision of law, an action brought under this chapter shall not prohibit or bar any prosecution or proceeding under such other provision or the imposition or any penalties provided for thereby.

(2010, c. 508; 2012, c. 405.)