

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact § 54.1-2022 of the Code of Virginia, relating to appraisal management companies; provision of appraisal services.

[H 2222]

Approved

Be it enacted by the General Assembly of Virginia:

1. That § 54.1-2022 of the Code of Virginia is amended and reenacted as follows:

§ 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 ~~residential~~ 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

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- 57 5. Requesting or requiring an appraiser to provide the company with the appraiser's digital signature
58 or seal.
- 59 E. Nothing in this section shall be construed as prohibiting an appraisal management company from
60 requesting that a real estate appraiser:
- 61 1. Consider additional appropriate property information;
62 2. Provide further detail, substantiation, or explanation for the real estate appraiser's value conclusion;
63 or
64 3. Correct errors in the real estate appraisal report.