



# VIRGINIA REAL ESTATE APPRAISER BOARD

## THE VIRGINIA APPRAISER

Volume 20

Department of Professional and Occupational Regulation

Summer 2010

### Message from the Chair



**Diane Quigley**

Greetings to all Commonwealth appraisers and trainees! I hope you're having a safe, enjoyable and prosperous summer.

The Board looks forward to working with Governor McDonnell, Secretary Cheng and new DPOR Director Gordon Dixon to promote a business-friendly environment, improve professionalism among the Board's licensees and protect the public from individuals and businesses who fail to meet the Board's standards of practice.

The Board appreciates the work of former DPOR Director Jay DeBoer, and we anticipate continued excellence with Director Gordon Dixon. Mr. Dixon introduces himself to the appraisal community in an article on page 3.

Board member Glenn James explains the information that must be included in an appraisal

workfile according to USPAP in an article on pages 4 and 5.

The Segmented Approach as a Board-approved path for licensure ended on June 30, 2010, and the article on page 6 explains this.

Disciplinary actions from the February and May 2010 Board meetings are listed on pages 7 and 8.

The Appraiser Qualifications Board (AQB) issued an updated version of the *Real Property Appraiser Qualifications Criteria* (Criteria) in April 2010. Page 8 includes a summary of the changes from the original January 2008 Criteria.

The 2010 General Assembly passed legislation (House Bill 408) concerning Appraisal Management Companies (AMCs) that went into effect on July 1, 2010. This legislation is reproduced and its provisions are described in an article on pages 9-11. The new law does not require the licensure or registration of AMCs with the Board or with any other state government agency.

Please feel free to contact the Board with any questions or suggestions at 804-367-2039 or [reappraisers@dpор.virginia.gov](mailto:reappraisers@dpор.virginia.gov)

Sincerely,

Diane Quigley, Chair

Real Estate Appraiser Board  
The Perimeter Center  
9960 Mayland Drive, # 400  
Richmond, VA 23233  
804-367-2039

Robert F. McDonnell  
Governor

James S. Cheng  
Secretary  
*Commerce & Trade*

### INSIDE THIS ISSUE:

Board Members and Staff	2
New DPOR Director Gordon Dixon	3
What Information Must Be in an Appraiser's Workfile?	4-5
"Segmented Approach" Ends	6
Recent Board Disciplinary Actions	7-8
New Version of AQB Real Property Appraiser Qualifications Criteria	8
Appraisal Management Company Legislation Passes	9-11

### 2010 Board Meetings

All Board meetings are held on the Second Floor of the Perimeter Center at the above address:

**August 17, 2010**  
**November 9, 2010**

# Real Estate Appraiser Board Members & Staff

## Board Members

Diane Quigley  
Centreville, VA  
Chair  
Term ends April 2, 2013

Harry O. Lewis  
Richmond, VA  
Vice Chair  
Term ends April 2, 2010

Betsy T. Critzer  
Earlsville, VA  
Licensee Member  
Term ends April 2, 2012

John C. Harry, III  
Chesapeake, VA  
Licensee Member  
Term ends April 2, 2013

H. Glenn James  
Norfolk, VA  
Licensee Member  
Term ends April 2, 2012

Sandra Johnson  
Chesapeake, VA  
Mortgage Lending Industry  
Term ends April 2, 2010

Douglas Mullins, Jr.  
Wise, VA  
Citizen Member  
Term ends April 2, 2010

Ryan A. Myers  
Sterling, VA  
Citizen Member  
Term ends April 2, 2012

Richard A. Pruitt  
McLean, VA  
Licensee Member  
Term ends April 2, 2013

## DPOR Staff

Gordon Dixon, Director

Mark Courtney, Deputy Director  
Licensing & Regulation Division

Nick Christner, Deputy Director  
Compliance & Investigations Division

Steven Arthur, Deputy Director  
Administration & Finance Division



## Real Estate Appraiser Board Staff

Christine Martine  
Executive Director

Kevin Hoeft  
Board Administrator

Maryanne Woo  
Licensing Supervisor

Regina Greene & Elaine Winn  
Licensing Specialists

Emily Trent  
Administrative Assistant

## Board Contact Information

Licensing Section - 804-367-2039

Executive Director - 804-367-8552

Fax Number - 804-527-4299

E-mail - REAppraisers@dpor.virginia.gov

Web - www.dpor.virginia.gov

DPOR Main Number - 804-367-8500

Complaints Section - 804-367-8504

# Gordon Dixon Appointed DPOR Director



Greetings to all Virginia Certified and Licensed Real Estate Appraisers and Appraiser Trainees! Governor Bob McDonnell appointed me to serve as DPOR Director in May, and I am very pleased to lead

the agency that licenses and regulates many of the professions and occupations in the Commonwealth. On behalf of Governor McDonnell, Secretary of Commerce and Trade Jim Cheng, and myself, thank you for protecting the public and promoting job creation by providing high quality appraisal services in Virginia.

DPOR enjoys a strong reputation within and outside state government for balancing a business-friendly environment with adequate public protections, and I look forward to maintaining and improving this balance.

By way of background, I come to DPOR after 15 years of working with regulatory, public policy and community engagement issues affecting various businesses. Most recently, I held a management position in Corporate Affairs at Altria Client Services, where I successfully developed and enhanced community engagement and corporate social responsibility initiatives, as well as assisted in developing measurement benchmarks.

I previously served as state director for the 9,000-member Virginia chapter of the National Federation of Independent Business (NFIB), overseeing public policy

and regulatory issues affecting business owners on the state and federal levels to ensure a fair and prosperous business climate. Other organizations I have worked with include the Home Builders Association of Richmond and the Greater Richmond Chamber of Commerce, where I helped lead government, business, and manufacturing issues. I am hopeful and confident my experience will prove a valuable fit here at DPOR.

In my first several weeks at DPOR, I have appreciated learning more about the agency, its regulatory boards and all the behind-the-scenes work the staff completes to license and certify over 300,000 professionals and businesses. My short-term objectives include: (1) maintaining a smooth transition; (2) understanding DPOR's work processes and procedures; (3) providing tools to think in a different way; and (4) protecting the public while helping to create jobs.

My leadership philosophy – founded on integrity, trust and respect – focuses on building individual and organizational capabilities while allocating resources carefully. This agency is clearly one built on mutual respect, a shared commitment to public service, and productive work relationships. Board members and employees have already consistently impressed me with their knowledge and dedication.

It is an honor to work with Virginia's appraisers for a better Commonwealth. I look forward to attending my first Real Estate Appraiser Board meeting on August 17, 2010, learning more about the appraisal profession and hearing your ideas in support of the McDonnell Administration's vision for a *Commonwealth of Opportunity*. Together we can advance economic vitality across Virginia by providing high quality appraisal services and protecting the public.

# What Information Must be in an Appraiser's Workfile?

By H. Glenn James, Board Member

An appraiser must prepare a workfile for each appraisal, appraisal review, or appraisal consulting assignment. The Record Keeping section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP) states that the workfile *must* include:

- *The name of the client and the identity, by name or type, of any other intended users;*
- *True copies of any written reports, documented on any type of media (a "true copy" is a replica of the report transmitted to the client - a photocopy or an electronic copy of the entire signed report transmitted to the client satisfies the requirement of a true copy);*
- *Summaries of any oral reports or testimony, or a transcript of testimony, including the signed and dated certification; and*
- *All other data, information, and documentation necessary to support the opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other documentation.*

The appraiser's assignment workfile serves several purposes. As in many other professions, the discipline of enforcement by public agencies serves to ensure performance of assignments in compliance with professional standards. The Virginia Real Estate Appraiser Board is one of those public agencies. In addition to facilitating enforcement, a workfile aids the appraiser in handling questions from the client or an intended user subsequent to the date of the report. An appraiser's assignment workfile preserves evidence of the appraiser's compliance with USPAP and other information as may be required to support the appraiser's opinions, conclusions, and, in the case of an appraisal consulting assignment, recommendations.

An appraiser must retain the workfile for a period of at least five years after preparation or at least two years after final disposition of

any judicial proceeding in which the appraiser provided testimony related to the assignment, whichever period expires last. USPAP does not permit appraisers to destroy records prior to five years after preparation **for any reason**, including a client's request to do so or the fact that an appraisal is not utilized by the client. At no time may an appraiser abdicate his or her responsibility for a workfile. Therefore, when an appraiser relinquishes possession of a file to a client or the client's representative, the appraiser should retain either a copy of the workfile or a written reference to an agreement with the client that the appraiser will have access to the workfile if the need arises.

As noted, the workfile must contain a "true copy" of the report. Any signatures that were affixed to the original report must also exist on the copy for the



workfile. A photocopy or an electronic copy of the entire signed appraisal report transmitted to the client satisfies the USPAP requirement of a true copy. USPAP does not dictate the form or format of workfile documentation. It is not necessary to include original documents in the file.

Care should be exercised in the selection of the form, style, and type of medium for records to ensure that they are retrievable by the appraiser throughout the prescribed record retention period. The appraiser must ensure that the proper software is maintained to allow access to the electronic files. For example, electronic files created with older software may not be able to be opened with newer software.

Many appraisers routinely use data obtained from Multiple Listing Services (MLS). References in the workfile to the location of documentation used to support an appraiser's

analyses, opinions, and conclusions can be adequate. It is not always necessary for the appraisal workfile to include all the voluminous documentation provided the referenced material is retrievable by the appraiser throughout the workfile retention period.

A workfile must be in existence **prior to** the issuance of a written or oral report. A written summary of an oral report must be added to the workfile within a reasonable time after the issuance of the oral report. It is advisable to create a workfile as soon as an agreement between an appraiser and a client results in an assignment.

If an appraisal report is signed by two appraisers, it is not necessary for both appraisers to have a copy of the workfile. An appraiser must have custody of his or her workfile, or make appropriate workfile retention, access, and retrieval arrangements with the party having custody of the workfile. Neither appraiser is required to have custody of the workfile. However, an appraiser who does not have custody must make appropriate arrangements for retention, access, and retrieval.

According to USPAP, the appraiser, not the appraiser's employer or client, is ultimately responsible for the retention of the workfile for the prescribed period. An appraiser who is employed by, or works in conjunction with another party, must make arrangements with that party to protect and preserve the workfile, and to allow the appraiser to make the workfile available to other parties such as state appraiser regulatory agencies or when required by due process of law.

There are a number of ways an appraiser who works for or with another party can ensure that files are retained so that the appraiser can have access to the files to meet the requirements of the Ethics Rule. For example, an appraiser and his employer or colleague may agree that the files will remain in the employer's or colleague's custody for the duration of the requisite retention period and that the appraiser will have access to those files, if needed.

Because there have been cases where employers and others have denied appraisers

access to workfiles, an appraiser may wish to make and retain copies of workfiles. However, USPAP does not address any specific manner by which an employer or contractor and appraiser should handle record retention. This is a business matter that should be arranged in the context of the employer-appraiser or contractor-appraiser relationship.

By the same token, providing the workfile to a duly authorized party, such as a client's attorney, is permitted by USPAP. However, this does not relieve the appraiser of the responsibility for that workfile.

In assignments where more than one appraiser is involved (e.g., a trainee appraiser and a supervising appraiser) each appraiser shares responsibility for complying with the Record Keeping section of the Ethics Rule. Supervising appraisers should be aware that all appraisers, including trainee appraisers, must maintain access to workfiles for a minimum of five years. A supervising appraiser must not impede a trainee appraiser's ability to access workfiles. Denying access to workfiles is a violation of the Ethics Rule.

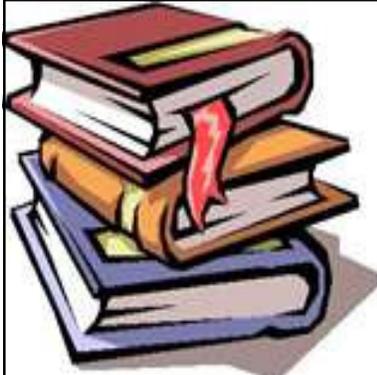
There are a number of ways an appraiser who works for or with another party can ensure that the assignment workfile is retained so that the appraiser may access the workfile. The following is a common example:

An appraiser and his employer or colleague may agree that the workfile will remain in the employer's or colleague's custody for the duration of the requisite retention period and that the appraiser will have access to the workfile. In practice, having such an agreement in writing could prove beneficial to all parties if access and retrieval arrangements are subsequently called into question.

USPAP has specific requirements in regard to workfile contents when an appraiser provides court testimony. Please consult USPAP for those detailed requirements.

A good source of practical guidance is contained in the "Frequently Asked Questions" (FAQ) section of the 2010-2011 edition of USPAP that was mailed to all licensees earlier this year. More specifically, see FAQs 59-80 on Pages F29-F37.

## “Segmented Approach” Appraiser License Application Option Ends June 30, 2010



On January 1, 2008, The Appraisal Foundation implemented **Real Property Appraiser Qualification Criteria** setting forth new, more

rigorous education, experience, and examination requirements for all real estate appraiser license/certification applicants.

At its November 27, 2007, meeting, the Virginia Real Estate Appraiser Board (Board) implemented the new education qualification criteria on a “**segmented approach**” basis. This meant that appraiser license applicants who completed, prior to January 1, 2008, the prelicense education requirement under the old qualification criteria - 90 hours for licensed residential appraisers, 120 hours for certified residential appraisers, or 180 hours for certified general appraisers - had until June 30, 2010, to apply for a license with the Board without having to meet the new, more rigorous education requirements.

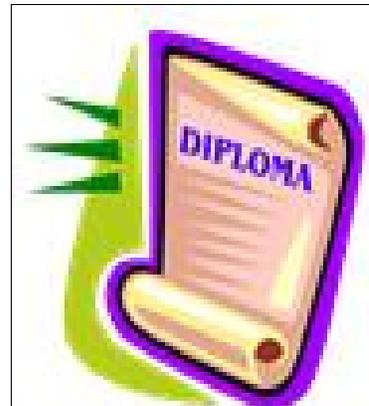
Applicants who completed the pre-license education requirement under the old criteria before January 1, 2008, needed to demonstrate in their license application that they also completed the current appraisal experience requirement: 2000 hours in no fewer than 12 months for licensed residential appraisers; 2500 hours in no fewer than 24 months for certified residential appraisers; and 3000 hours in no fewer than 30 months for certified general appraisers.

Applicants who met these education and experience requirements and who submitted their applications to the Board on or before June 30, 2010, were approved to take the appraiser license examination. These applicants have one year from the date of examination approval to pass the examination.

Such an applicant who fails to pass the license examination within one year of being approved to take the examination must then meet the new education and experience requirements and submit a new license application to be approved again to take the license examination.

Effective July 1, 2010, all appraiser applicants must meet the **Real Property Appraiser Qualification Criteria** for the type of license they seek. The **Real Property Appraiser Qualification Criteria** can be viewed in the “Education and Exams” section on the Board’s website at: [http://www.dpor.virginia.gov/dporweb/apr\\_main.cfm](http://www.dpor.virginia.gov/dporweb/apr_main.cfm)

A summary of the **Real Property Appraiser Qualification Criteria Education Requirements** for each type of appraiser license issued by the Board is listed on pages 3 and 4 of the Board’s *Appraiser License Application* and can be viewed at: <http://www.dpor.virginia.gov/dporweb/forms/apr/40lic.pdf>





# Board Disciplinary Actions



If a complaint is filed against an appraiser licensed by the Virginia Real Estate Appraiser Board (the Board), the complaint is reviewed by the Compliance and Investigations Division (CID) of DPOR to determine if a violation of the Board's laws or regulations may have occurred. If there is probable cause of a violation, an investigation is initiated. If the investigation reveals that one or more violations may have occurred, the licensee receives notice to appear at an informal fact-finding conference (IFF) to address these alleged violations.

In some cases the licensee may be offered a pre-IFF Consent Order. A Consent Order is an agreement between the licensee and the Board consisting of specific violations and sanctions. Pre-IFF Consent Orders eliminate the time and expense associated with conducting an IFF.

If an IFF is held, a recommendation from the IFF hearing officer consisting of violations and proposed sanctions is submitted to the Board for consideration at its next regularly scheduled meeting. The Board can take the following disciplinary actions against a licensee: assess a monetary penalty; suspend or revoke a license; place an individual on probation, require additional education, or deny renewal. A licensee can continue to practice as an appraiser throughout the disciplinary process until the Board either revokes or suspends his license.

**THE FOLLOWING DISCIPLINARY ACTIONS RENDERED BY THE BOARD AT ITS FEBRUARY and MAY 2010 MEETINGS CAN BE VIEWED AT: [www.dpor.virginia.gov](http://www.dpor.virginia.gov). Click on "License Lookup." Then click on "Search Disciplinary Actions Occurring since April 1, 2002." Then enter the Case Number in the blank "Search" box. Then click on the "Search" button. Then click on the highlighted "File Number." The Order and Report of Findings for that case will appear.**

<u>Case No.</u>	<u>Licensee</u>	<u>Violation/Sanction</u>
2010-00050	William L. Decker Vinton, VA	18 VAC 130-20-180.K.1 - Unworthiness 18 VAC 130-20-180.D - Development of Appraisal 18 VAC 130-20-180.E - Appraisal Report Requirements 18 VAC 130-20-180.J - Fail to Abide by USPAP Competency Rule \$2750 Monetary Penalty, \$150 Board Costs, 15-hour USPAP Course, 30-hour upper level residential course
2009-04233	Marjorie L. Layne Gretna, VA	18 VAC 130-20-180.D - Development of Appraisal (3 Counts) 18 VAC 130-20-180.E - Appraisal Report Requirements \$700 Monetary Penalty, \$150 Board Costs, 15-hour USPAP Course, 30-hour upper level residential course
2009-01681	Edgar J. Wilson Natural Bridge Stat., VA	18 VAC 130-20-180.K.1 - Unworthiness 18 VAC 130-20-180.J - Fail to Abide by USPAP Competency Rule 18 VAC 130-20-180.D - Development of Appraisal (4 counts) 18 VAC 130-20-180.E - Appraisal Report Requirements (3 counts) \$5000 Monetary Penalty, \$150 Board Costs, 15-hour USPAP Course, Unable to supervise appraiser trainees for one year
2010-00092	Ronald L. Brvenik Prince Frederick, MD	18 VAC 130-20-180.C - Use of Signature and Electronic Report Transmission 18 VAC 130-20-180.E - Appraisal Report Requirements \$2000 Monetary Penalty, \$150 Board Costs, 15-hour USPAP Course, 30-day License Suspension
2009-00068	April A. Taylor Nokesville, VA	18 VAC 130-20-60.4 - Responsibilities of Supervising Appraisers 18 VAC 130-20-180.D - Development of Appraisal 18 VAC 130-20-180.E - Appraisal Report Requirements \$2000 Monetary Penalty, License Probation until completion of a 30-hour upper level residential course
2009-04487	Dee A. Dennis Germantown, MD	18 VAC 130-20-180.K.4 - Unworthiness 18 VAC 130-20-180.K.5 - Unworthiness \$700 Monetary Penalty, \$150 Board Costs, License Revocation



## Board Disciplinary Actions (cont.)



<u>Case No.</u>	<u>Licensee</u>	<u>Violation/Sanction</u>
2009-04011	Vicki N. Minor Richmond, VA	18 VAC 130-20-180.D - Development of Appraisal (2 Counts) 18 VAC 130-20-180.E - Appraisal Report Requirements 18 VAC 130-20-180.J - Fail to Abide by USPAP Competency Rule License Revocation
2009-03856	Jeffrey L. Cummings Springfield, VA	18 VAC 130-20-180.K.4 - Unworthiness 18 VAC 130-20-180.K.5 - Unworthiness License Revocation
2009-02922	Janet W. Fuller Abingdon, VA	18 VAC 130-20-180.D - Development of Appraisal 18 VAC 130-20-180.E - Appraisal Report Requirements \$1200 Monetary Penalty, \$150 Board Costs, 30-hour upper level residential course
2010-00276	Douglas L. Honeycutt Yorktown, VA	18 VAC 130-20-180.D - Development of Appraisal (2 counts) 18 VAC 130-20-180.E - Appraisal Report Requirements \$1200 Monetary Penalty, License Probation until completion of a 30-hour upper level residential course
2010-00862	Raja A. Raza Lorton, VA	18 VAC 130-20-180.D - Development of Appraisal 18 VAC 130-20-180.E - Appraisal Report Requirements \$1000 Monetary Penalty, License Probation until completion of a 30-hour upper level residential course
2009-04230	W. Justin Drinkwater Montross, VA	18 VAC 130-20-180.D - Development of Appraisal 18 VAC 130-20-180.K.7 - Unworthiness 18 VAC 130-20-180.K.8 - Unworthiness 18 VAC 130-20-180.H.1 - Recordkeeping Requirements 18 VAC 130-20-180.B.1.a - Change of Address \$500 Monetary Penalty, License Revocation
2010-00513	Martin C. Cho Vienna, VA	18 VAC 130-20-180.D - Development of Appraisal (3 Counts) \$2500 Monetary Penalty, \$150 Board Costs, 15-hour USPAP Course

### ***AQB Releases New Version of Real Property Appraiser Qualification Criteria***

The Appraisal Qualifications Board (AQB) released a new version of the *Real Property Appraiser Qualification Criteria (Criteria)* in April 2010. The new version includes three changes from the January 1, 2008, *Criteria*.

First, Guide Note 8 has been revised to include additional resources for the evaluation of a foreign degree.

Second, an Interpretation on Acceptable College and University Courses was adopted to require all courses used in place of the required degree for the certified classifications to be completed at an accredited, degree-granting college or university.

Third, an Interpretation on Qualifying Education in Lieu of Colleges Degrees was adopted that requires all in lieu of a college degree education to be three semester credit hours in each subject matter area. This interpretation becomes effective on July 1, 2010.

Guide Notes are intended for guidance and are not binding upon state regulatory agencies. Interpretations, however, are binding and are required by or on the applicable effective date.

A copy of the *Criteria* can be accessed on the Board's website at: [http://www.dpor.virginia.gov/dporweb/apr\\_main.cfm](http://www.dpor.virginia.gov/dporweb/apr_main.cfm)

## 2010 General Assembly Passes Appraisal Management Company Legislation

The 2010 General Assembly passed legislation concerning Appraisal Management Companies (AMCs) through House Bill 408, sponsored by Delegate Glenn Oder of Newport News. The new law goes into effect on July 1, 2010, and amends Title 54.1 of the *Code of Virginia* by adding Chapter 20.2 (Real Estate Appraisal Management Companies), which includes Sections 54.1-2020, 54.1-2021, 54.1-2022 and 54.1-2023.

Section 54.1-2020 defines “Appraisal Management Company.”

Section 54.1-2021 lists exemptions from the new law.

Section 54.1-2022 prohibits AMCs from engaging in a variety of actions which are related primarily to the development, reporting, result, or review of a real estate appraisal.

Section 54.1-2023 sets forth penalties for AMCs that violate one or more provisions of Section 54.1-2022.

House Bill 408 originally called for, among other things, the licensure and regulation of AMCs by the Virginia Real Estate Appraiser Board, but the bill was amended to remove this provision.

The text of the new law follows and all background information concerning HB 408 can be reviewed at: <http://leg1.state.va.us/cgi-bin/legp504.exe?ses=101&typ=bil&val=hb408>.

§ [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) administers a network of independent contract appraisers, receives requests for appraisals from clients, and receives a fee paid by the client for the appraisals and (ii) enters into an agreement with one or more independent appraisers in its network to perform the appraisals contained in the request.

“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.

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

§ [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 appraisals in the normal course of its business and the entity is responsible for



ensuring that the appraisals are being performed in accordance with this chapter and with the Uniform Standards of Professional Appraisal Practice;

3. Any person or entity that has as its primary business the development of appraisals in the Commonwealth in accordance with Chapter 20.1 (§ [54.1-2009](#) et seq.) of this title and with the Uniform Standards of Professional Appraisal Practice;

4. Any person or entity that has as its primary business the development of appraisals in the Commonwealth but that in the normal course of business enters into an agreement with an independent contract appraiser for the performance of appraisals 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.) of this title; or

6. Any officer or employee of an exempt entity described in this chapter when acting in the scope of employment for the exempt entity.

§ [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.) of this title.

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 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;

8. Any other act or practice that impairs or attempts to impair a real estate appraiser's independence, objectivity, or impartiality;

9. 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;

10. Altering, modifying, or otherwise changing a completed appraisal report submitted by an independent appraiser without the appraiser's written knowledge and consent;

11. Use, by the appraisal management company, of 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 agency in the normal course of business or when providing a copy of the appraisal is otherwise required by law;

12. 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

13. Requiring an appraiser to provide the company with the appraiser's digital signature or seal.

D. 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.

§ 54.1-2023. Penalty.

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 \$2,500 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.