

WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

Introduced

House Bill 5569

By Delegate Phillips

[Introduced February 12, 2024; Referred to the
Committee on Government Organization]

1 A BILL to amend and reenact §30-38A-15 of the Code of West Virginia, 1931, as amended,
2 relating to prohibiting the requirement that appraisers pay for background checks.

Be it enacted by the Legislature of West Virginia:

ARTICLE 38A. APPRAISAL MANAGEMENT COMPANIES REGISTRATION ACT.

§30-38A-15. Prohibited acts.

1 (a) An appraisal management company or any person acting for an appraisal management
2 company as a controlling person, owner, director, officer, agent, employee or independent
3 contractor may not:

4 (1) Improperly influence or attempt to improperly influence the development, reporting,
5 result or review of an appraisal through:

6 (A) Intimidation, inducement, coercion, extortion, collusion, bribery, compensation,
7 blackmail, threat of exclusion from future appraisal work or any other means that unduly influences
8 or pressures the appraiser;

9 (B) Withholding payment to an appraiser or compensating the appraiser at less than the
10 customary and reasonable rate for appraisal services unless for breach of contract; or

11 (C) Expressly or impliedly promise future business, promotions or increased compensation
12 to an appraiser;

13 (2) Knowingly employ a person to a position of responsibility who has had a license or
14 certificate to act as an appraiser refused, denied, canceled, revoked or surrendered in this state or
15 any other jurisdiction, and not subsequently granted or reinstated;

16 (3) Knowingly enter into a contract with a person for the performance of appraisal services
17 who has had a license or certificate to act as an appraiser refused, denied, canceled, revoked or
18 surrendered in this state or any other jurisdiction, and not subsequently granted or reinstated;

19 (4) Knowingly enter into a contract, agreement or other business relationship for the
20 purpose of obtaining real estate appraisal services with a firm that employs or contracts with a
21 person who has had a license or certificate to act as an appraiser refused, denied, canceled,

22 revoked or surrendered in this state or any other jurisdiction, and not subsequently granted or
23 reinstated;

24 (5) Knowingly fail to separate and disclose any fees charged to a client by the appraisal
25 management company for an appraisal by an appraiser from fees charged to a client by the
26 appraisal management company for appraisal management services;

27 (6) Prohibit an appraiser from stating, in a submitted appraisal, the fee paid by the
28 appraisal management company to the appraiser for the appraisal;

29 (7) Require an appraiser to pay for a background check required by the AMC as a condition
30 of being added to the AMCs panel of appraisers;

31 ~~(7)~~(8) Request, allow or require an appraiser to collect any portion of the fee, including the
32 appraisal fee, charged by the appraisal management company to the client;

33 ~~(8)~~(9) Require an appraiser to provide the registrant with the appraiser's signature or seal
34 in any form;

35 ~~(9)~~(10) Alter, amend or change an appraisal submitted by an appraiser;

36 ~~(10)~~(11) Remove an appraiser's signature or seal from an appraisal;

37 ~~(11)~~(12) Add information to or remove information from an appraisal with the intent to
38 change the conclusion of the appraisal;

39 ~~(12)~~(13) Remove an appraiser from an appraiser panel without ~~twenty~~ 20 days prior written
40 notice to the appraiser and an opportunity for the appraiser to be heard;

41 ~~(13)~~(14) Enter into an agreement or contract for the performance of appraisal services with
42 an appraiser who is not in good standing with the board;

43 ~~(14)~~(15) Request or require an appraiser to provide an estimated, predetermined or
44 desired valuation in an appraisal;

45 ~~(15)~~(16) Request or require an appraiser to provide estimated values or comparable sales
46 at any time prior to the appraiser completing an appraisal;

47 ~~(16)~~(17) Condition a request for an appraisal or the payment of an appraisal fee on:

- 48 (A) An opinion, conclusion or valuation reached; or
- 49 (B) A preliminary estimate or opinion requested from an appraiser;
- 50 ~~(17)~~(18) Provide to an appraiser an anticipated, estimated, encouraged or desired value
- 51 for an appraisal or a proposed or targeted amount to be loaned or borrowed, except that a copy of
- 52 the sales contract for the purchase transaction may be provided;
- 53 ~~(18)~~(19) Require an appraiser to indemnify or hold harmless an appraisal management
- 54 company for any liability, damage, losses or claims arising out of the services provided by the
- 55 appraisal management company;
- 56 ~~(19)~~(20) Have a direct or indirect interest, financial or otherwise, in the property or
- 57 transaction involving the appraisal;
- 58 ~~(20)~~(21) Provide to an appraiser or a person related to the appraiser stock or other financial
- 59 or nonfinancial benefits;
- 60 ~~(21)~~(22) Obtain, use or pay for a second or subsequent appraisal or order an automated
- 61 valuation model, unless:
- 62 (A) There is a reasonable basis to believe that the initial appraisal was flawed and the basis
- 63 is clearly and appropriately noted in the file;
- 64 (B) The second or subsequent appraisal, or automated valuation model is done under a
- 65 bona fide prefunding or post-funding appraisal review or quality control process;
- 66 (C) The second appraisal is required by law; or
- 67 (D) The second or subsequent appraisal or automated valuation model is ordered by a
- 68 client; or
- 69 ~~(22)~~(23) Commit an act or practice that impairs or attempts to impair an appraiser's
- 70 independence, objectivity or impartiality.
- 71 (b) This section does not prohibit an appraisal management company from requesting that
- 72 an appraiser:
- 73 (1) Provide additional information about the basis for a valuation;

- 74 (2) Correct objective factual errors in an appraisal;
- 75 (3) Provide further detail, substantiation or explanation for the appraiser's conclusion; or
- 76 (4) Consider additional appropriate property information, including the consideration of
- 77 additional comparable properties to make or support an appraisal.

NOTE: The purpose of this bill is to prohibit the requirement that appraisers pay for background checks.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.