

# **WEST VIRGINIA LEGISLATURE**

**2024 REGULAR SESSION**

**ENROLLED**

**House Bill 5569**

BY DELEGATE PHILLIPS

[Passed March 4, 2024; in effect ninety days from  
passage.]



1 AN ACT 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  
2 management company as a controlling person, owner, director, officer, agent, employee or  
3 independent 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  
8 influences 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  
12 compensation 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  
15 or 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  
30 condition of being added to the AMCs panel of appraisers;

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

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

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

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

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

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

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

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

47 (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 (18) Provide to an appraiser an anticipated, estimated, encouraged or desired value for  
51 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 (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 (20) Have a direct or indirect interest, financial or otherwise, in the property or transaction  
57 involving the appraisal;

58 (21) Provide to an appraiser or a person related to the appraiser stock or other financial  
59 or nonfinancial benefits;

60 (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  
63 basis 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 (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.

The Clerk of the House of Delegates and the Clerk of the Senate hereby certify that the foregoing bill is correctly enrolled.

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*Clerk of the House of Delegates*

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*Clerk of the Senate*

Originated in the House of Delegates.

In effect ninety days from passage.

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*Speaker of the House of Delegates*

.....  
*President of the Senate*

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The within is ..... this the.....  
Day of ....., 2024.

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*Governor*