

Broker Price Opinion Guidance Document

The Real Estate Board is issuing this guidance document in order to assist its licensees in understanding the requirement of §54.1-2010.A.1 of the *Code of Virginia* as a means of providing information or guidance of general applicability to the public:

To ensure that the Real Estate Board's broker and salesperson licensees comply with §54.1-2010.A.1 of the *Code of Virginia*, the Board prohibits any licensee who provides a valuation or analysis of real estate (such as a Broker Price Opinion) for a fee in the ordinary course of business from holding himself out as a real estate appraiser. Such valuation or analysis shall not be referred to as an appraisal, and it shall not be used in lieu of an appraisal performed by a certified or licensed appraiser when an appraisal is required by federal or state law or regulation.

Further, in accordance with 18 VAC 135-20-300.8 of the Board's Regulations, any licensee who knowingly makes any false statement or report, or willfully misstates the value of any land, property or security for the purpose of influencing in any way the action of a lender may be in violation of the Board's regulation prohibiting misrepresentation or omission.

Further, 18 VAC 135-20-160 of the Board's Regulations, every principal broker or supervising broker or a place of business or branch office shall exercise reasonable and adequate supervision of the provision of real estate brokerage services (to include the valuation or analysis of real estate, e.g., Broker Price Opinions) by associate brokers and salespersons assigned to the place of business or branch office.

Further, in accordance with 18 VAC 135-20-280.2 of the Board's Regulations, it is improper to accept a commission or other valuable consideration (including fees for Broker Price Opinions), as a real estate salesperson or associate broker, from any person except the licensee's principal broker at the time of the transaction, for performance of any of the acts specified in Chapter 21 (§54.1-2010 et seq.) of the *Code of Virginia* or the regulations of the board or relate to any real estate transaction without the consent of the broker.

Further, in accordance with 18 VAC 135-20-330 of the Board's Regulations, principal and supervising brokers may be held responsible for failing to take reasonable action to remedy situations that lead to unlawful acts or regulatory violations by licensees and employees with their supervision.