



**State of West Virginia
Real Estate Commission**

300 Capitol Street, Suite 400
Charleston, West Virginia 25301
(304) 558-3555
FAX (304) 558-6442
<www.wvrec.org>

JOHN H. REED, III, VICE CHAIRMAN
HURRICANE

CAROL H. PUGH, SECRETARY
BECKLEY

VAUGHN L. KIGER
MORGANTOWN

ROBERT R. VITELLO
CHARLESTON

JERRY D. ZAFERATOS
BECKLEY

RICHARD E. STRADER, CPA
EXECUTIVE DIRECTOR

To: All Real Estate Brokers, Associate Brokers and Salespersons

From: West Virginia Real Estate Commission

Date: December 5, 2007

Re: Broker Price Opinions

It has come to the attention of the West Virginia Real Estate Commission that some licensed real estate brokers, associate brokers and/or real estate salespersons may be rendering "broker's price opinions" for compensation in connection with the sale, or potential sale, of real property. A "broker's price opinion" or "BPO" is the rendering of an estimate of the value of real property for compensation. While we use the term "broker's price opinion" or "BPO" throughout this communication, please be advised that if you or others use another term or phrase to describe the rendering of an estimate of the value of real property for compensation, then this communication pertains to all activities that constitute the rendering of such an estimate, regardless of the descriptive term or phrase used.

Pursuant to West Virginia Code §§ 30-38-1 *et seq.*, in order to engage in the activity of real estate appraisal, one is required to hold a license issued by the West Virginia Real Estate Appraiser Licensing and Certification Board (hereinafter Appraiser Board). Our counsel from the Attorney General's Office has advised us that the rendering of a "broker's price opinion" for compensation constitutes the activity of real estate appraisal for which a license issued by the Appraiser Board is required. Therefore, unless you hold a license issued by the Appraiser Board, you may not lawfully issue a "broker's price opinion" for compensation. Your broker, associate broker and/or salesperson license issued by the Real Estate Commission does not permit you to issue a "broker's price opinion" for compensation. In other words, the issuance of a "broker's price opinion" for compensation by a person licensed by the Real Estate Commission, is beyond the scope of practice permitted by West Virginia Code §§ 30-40-1 *et seq.*, the Real Estate License Act.

Based upon the foregoing, you should refrain from issuing "BPOs" unless you have the proper licensure from the Appraiser Board. Any conduct to the contrary may subject you to legal liability for the unlicensed practice of real estate appraisal and practicing beyond the scope of your license issued by the Real Estate Commission.

If you have any questions, please contact the Commission's offices at (304) 558-3555. Thank you for your attention to this matter.