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VIRGINIA REGISTER

OF REGULATIONS

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INFORMATION ABOUT THE VIRGINIA REGISTER OF REGULATIONS

VIRGINIA REGISTER

The *Virginia Register* is an official state publication issued every other week throughout the year. Indexes are published quarterly, and the last index of the year is cumulative.

The *Virginia Register* has several functions. The full text of all regulations, both as proposed and as finally adopted or changed by amendment are required by law to be published in the *Virginia Register of Regulations*.

In addition, the *Virginia Register* is a source of other information about state government, including all Emergency Regulations issued by the Governor, and Executive Orders, the *Virginia Tax Bulletin* issued monthly by the Department of Taxation, and notices of all public hearings and open meetings of state agencies.

ADOPTION, AMENDMENT, AND REPEAL OF REGULATIONS

An agency wishing to adopt, amend, or repeal regulations must first publish in the *Virginia Register* a notice of proposed action; a basis, purpose, impact and summary statement; a notice giving the public an opportunity to comment on the proposal, and the text of the proposed regulations.

Under the provisions of the Administrative Process Act, the Registrar has the right to publish a summary, rather than the full text, of a regulation which is considered to be too lengthy. In such case, the full text of the regulation will be available for public inspection at the office of the Registrar and at the office of the promulgating agency.

Following publication of the proposal in the *Virginia Register*, sixty days must elapse before the agency may take action on the proposal.

During this time, the Governor and the General Assembly will review the proposed regulations. The Governor will transmit his comments on the regulations to the Registrar and the agency and such comments will be published in the *Virginia Register*.

Upon receipt of the Governor's comment on a proposed regulation, the agency (i) may adopt the proposed regulation, if the Governor has no objection to the regulation; (ii) may modify and adopt the proposed regulation after considering and incorporating the Governor's suggestions, or (iii) may adopt the regulation without changes despite the Governor's recommendations for change.

The appropriate standing committee of each branch of the General Assembly may meet during the promulgation or final adoption process and file an objection with the *Virginia Registrar* and the promulgating agency. The objection will be published in the *Virginia Register*. Within twenty-one days after receipt by the agency of a legislative objection, the agency shall file a response with the Registrar, the objecting legislative Committee, and the Governor.

When final action is taken, the promulgating agency must again publish the text of the regulation, as adopted, highlighting and explaining any substantial changes in the final regulation. A thirty-day final adoption period will commence upon publication in the *Virginia Register*.

The Governor will review the final regulation during this time and if he objects, forward his objection to the Registrar and the agency. His objection will be published in the *Virginia Register*. If the Governor finds that changes made to the proposed regulation are substantial, he may suspend the regulatory process for thirty days and require the agency to solicit additional public comment on the substantial changes.

A regulation becomes effective at the conclusion of this thirty-day final adoption period, or at any other later date specified by the promulgating agency, unless (i) a legislative

objection has been filed, in which event the regulation, unless withdrawn, becomes effective on the date specified, which shall be after the expiration of the twenty-one day extension period; or (ii) the Governor exercises his authority to suspend the regulatory process for solicitation of additional public comment, in which event the regulation, unless withdrawn, becomes effective on the date specified which date shall be after the expiration of the period for which the Governor has suspended the regulatory process.

Proposed action on regulations may be withdrawn by the promulgating agency at any time before final action is taken.

EMERGENCY REGULATIONS

If an agency determines that an emergency situation exists, it then requests the Governor to issue an emergency regulation. The emergency regulation becomes operative upon its adoption and filing with the Registrar of Regulations, unless a later date is specified. Emergency regulations are limited in time and cannot exceed a twelve-months duration. The emergency regulations will be published as quickly as possible in the *Virginia Register*.

During the time the emergency status is in effect, the agency may proceed with the adoption of permanent regulations through the usual procedures (See "Adoption, Amendment, and Repeal of Regulations," above). If the agency does not choose to adopt the regulations, the emergency status ends when the prescribed time limit expires.

STATEMENT

The foregoing constitutes a generalized statement of the procedures to be followed. For specific statutory language, it is suggested that Article 2 of Chapter 1.1:1 (§§ 9-6.14:6 through 9-6.14:9) of the Code of Virginia be examined carefully.

CITATION TO THE VIRGINIA REGISTER

The *Virginia Register* is cited by volume, issue, page number, and date. 1:3 VA.R. 75-77 November 12, 1984 refers to Volume 1, Issue 3, pages 75 through 77 of the *Virginia Register* issued on November 12, 1984.

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July 29	Aug. 17
Aug. 12	Aug. 31
Aug. 26	Sept. 14
Sept. 9	Sept. 28
Final Index - Vol. III	

Volume IV - 1987-88

Sept. 23	Oct. 12
Oct. 7	Oct. 26
Oct. 21	Nov. 9
Nov. 4	Nov. 23
Nov. 18	Dec. 7
Dec. 2	Dec. 21
Dec. 16	Jan. 4, 1988
Index - 1st. Issue, Vol. IV	

Dec. 30	Jan. 18
Jan. 13	Feb. 1
Jan. 27	Feb. 15
Feb. 10	Feb. 29
Feb. 24	Mar. 14
Mar. 9	Mar. 28

TABLE OF CONTENTS

PROPOSED REGULATIONS

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

Rules and Regulations. (VR 400-01-0001)	2249
Procedures, Instructions and Guidelines for Single Family Mortgage Loans to Persons and Families of Low and Moderate Income. (VR 400-02-0003)	2259

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

Standards for Coverage of Organ Transplant Services: State Plan for Medical Assistance.	2279
--	------

FINAL REGULATIONS

DEPARTMENT OF LABOR AND INDUSTRY Apprenticeship Council

Regulations Governing the Administration of Apprenticeship Programs in the Commonwealth of Virginia: Biennial Program Sponsor Evaluation (XI). (VR 425-01-27)	2285
Regulations Governing the Administration of Apprenticeship Programs in the Commonwealth of Virginia: Standards of Apprenticeship Programs - Numeric Ratio of Apprentices to Journeymen (IV.B.14). (VR 425-01-28)	2290

MARINE RESOURCES COMMISSION

Public Participation Guidelines. (VR 450-01-0045)	2295
---	------

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

Assorted Technical Amendments Resulting from Compass Review: State Plan for Medical Assistance. (VR 460-02-1110, VR 460-02-3.1111, VR 460-02-3.1303, VR 460-02-4.1911, VR 460-02-4.1913, VR 460-02-4.1931, VR 460-03-4.1951, VR 460-02-7.2101)	2296
More Restrictive Eligibility Criteria: State Plan for Medical Assistance. (VR 460-03-2.2121)	2297

EMERGENCY REGULATIONS

DEPARTMENT OF SOCIAL SERVICES (BOARD OF)

Aid to Dependent Children - Working Parents Program. (VR 615-01-15)	2299
---	------

VIRGINIA WASTE MANAGEMENT BOARD

Financial Assurance Regulations for Solid Waste Facilities. (VR 672-20-1)	2300
---	------

STATE CORPORATION COMMISSION Bureau of Insurance

ADMINISTRATIVE LETTERS

All Companies Licensed in Virginia for Liability Insurance Other Than Auto. (1987-6)	2323
Legislation Enacted by the 1987 Session of the General Assembly of Virginia. (1987-7)	2323
Prohibited Practices of Lienholders. (1987-8)	2334
Report of Acts Deemed Larceny. (1987-9)	2334
Revised Law and Procedures for Licensing and Appointment of Insurance Agents. (1987-10)	2335

GOVERNOR

GOVERNOR'S EXECUTIVE ORDERS

Federal Limit on Private Activity Bonds. 28 (86)	2397
Authority and Responsibility of the Governor's Secretaries. 29 (86)	2404
Delegation of Authority for Certain Actions Affecting Management of the Commonwealth. 30 (86)	2412
Commission on Medical Care Facilities Certificate of Public Need. 31 (86)	2417
Governor's Corporate Advisory Commission on Employers' Initiatives for Child Day Care. 32 (86) ...	2418

Table of Contents

GOVERNOR'S COMMENTS

STATEWIDE HEALTH COORDINATING COUNCIL

Standards for Evaluating Certificate of Public Need Applications to Establish or Expand Extracorporeal Shock Wave Lithotripsy Services (Virginia State Health Plan 1980-84). (VR 360-01-5) 2419

DEPARTMENT OF HEALTH REGULATORY BOARDS

Virginia State Board of Dentistry Regulations. (VR 255-01-1) 2419

DEPARTMENT OF REHABILITATIVE SERVICES

Provision of Vocational Rehabilitation Services. (VR 595-01-1) 2419

GENERAL NOTICES/ERRATA

NOTICES OF INTENDED REGULATORY ACTION

Notices of Intent 2421

GENERAL NOTICES

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

Legal Notice: Assessment on Soybeans. 2424

DEPARTMENT OF HEALTH

1987 State Medical Facilities Plan. 2424

NOTICE TO STATE AGENCIES

Forms for filing material on date for publication in the Virginia Register of Regulations 2424

ERRATA

STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA

Regulations Governing the Approval of Certain Institutions to Confer Degrees, Deplomas and Certificates. (VR 380-02-1) 2425

CALENDAR OF EVENTS

EXECUTIVE

Open Meetings and Public Hearings 2426

LEGISLATIVE

Open Meetings and Public Hearings 2444

CHRONOLOGICAL LIST

Open Meetings 2445

Public Hearings 2447

PROPOSED REGULATIONS

For information concerning Proposed Regulations, see information page.

Symbol Key

Roman type indicates existing text of regulations. *Italic type* indicates proposed new text. Language which has been stricken indicates proposed text for deletion.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

NOTE: The Virginia Housing Development Authority is exempted from the Administrative Process Act (§ 9-6.14:4:1 of the Code of Virginia); however, under the provisions of § 9-6.14:22, it is required to publish all proposed and final regulations.

Title of Regulation: VR 400-01-0001. Rules and Regulations.

Statutory Authority: § 36-35.30:3 of the Code of Virginia.

Public Hearing Date: N/A
(See Calendar of Events section for additional information)

Summary:

The proposed rules and regulations provide a new method of calculating the income of an applicant for a single family mortgage loan to permit the authority to ensure that each applicant who meets the authority's income limits will also automatically meet the new gross income limits imposed by the Tax Reform Act of 1986.

Accordingly, the proposed rules and regulations define gross family income to include all income of the applicant as required by Rev. Rule 86-124 issued pursuant to § 143(g) of the Tax Reform Act and authorize the Board of Commissioners of the authority to provide in its procedures, instructions and guidelines for the use of gross family income and for the imposition of income limits in determining eligibility of applicants for its single family mortgage loans. It is intended that the new gross income limits be set at levels which reflect the change in methods of calculation so that the eligibility of applicants for single family mortgage loans is not materially affected; provided, however, that in all cases the authority's income limits shall be less than the applicable federal limits such that an applicant will meet the federal income limit simply by meeting the authority's income limit.

VR 400-01-0001. Rules and Regulations.

PART I. GENERAL PROVISIONS.

§ 1.1. Definitions.

The following words and terms, when used in these

regulations, shall have the following meaning, unless the context clearly indicates otherwise:

"Act" means the Virginia Housing Development Authority Act, being Chapter 1.2 (§ 36-55.24, et seq.) of Title 36 of the Code of Virginia.

"Adjusted family income" means the total annual income of a person or all members of a family residing or intending to reside in a dwelling unit, from whatever source derived and before taxes or withholdings, less the total of the credits applicable to such person or family, computed in accordance with the following: (i) a credit in an amount equal to \$1,000 for each dependent family member other than such a family member qualifying under (vi) below; (ii) a credit in an amount equal to the lesser of \$1,000 or 10% of such total annual income; (iii) a credit in an amount equal to all income of such person or any such family member of an unusual or temporary nature and not related to such person's or family member's regular employment, to the extent approved by the executive director; (iv) a credit in an amount equal to all earnings of any family member who is a minor under 18 years of age or who is physically or mentally handicapped, as determined on the basis of medical evidence from a licensed physician or other appropriate evidence satisfactory to the executive director; (v) a credit in an amount equal to such person or family's medical expenses, not compensated for or covered by insurance, in excess of 3.0% of such total annual income; and (vi) a credit in an amount equal to 1/2 of the total annual income of all family members over 18 years of age who are secondary wage earners in the family, provided, however, that such credit shall not exceed the amount of \$2,500. If federal law or rules and regulations impose limitations on the incomes of the persons or families who may own or occupy a single family dwelling unit or multi-family residential housing development, the authority may provide in its procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations that the adjusted family income shall be computed, for the purpose of determining eligibility under § 1.2 of these rules and regulations for ownership or occupancy of such single family dwelling unit or the dwelling units in such multi-family residential housing development (or, if so provided in the procedures, instructions and guidelines, only those dwelling units in such development which are subject to such federal income limitations), in the manner specified by such federal law or rules and regulations (subject to such modifications as may be provided in or authorized by the procedures, instructions and guidelines) rather than in the manner provided in the preceding sentence.

Proposed Regulations

"Applicant" means an individual, corporation, partnership, limited partnership, joint venture, trust, firm, association, public body or other legal entity or any combination thereof, making application to receive an authority mortgage loan or other assistance under the Act.

"Application" means a request for an authority mortgage loan or other assistance under the Act.

"Authority" means the Virginia Housing Development Authority.

"Authority mortgage loan" or "mortgage loan" means a loan which is made or financed or is to be made or financed, in whole or in part, by the authority pursuant to these rules and regulations and is secured or is to be secured by a mortgage.

"Board" means the Board of Commissioners of the authority.

" Dwelling unit" means a unit of living accommodations intended for occupancy by one person or family.

"Executive director" means the executive director of the authority or any other officer or employee of the authority who is authorized to act on behalf of the authority pursuant to a resolution of the board.

"Family" means, in the context of the financing of a single family dwelling unit, two or more individuals related by blood, marriage or adoption, living together on the premises as a single nonprofit housekeeping unit. In all contexts other than the financing of a single family dwelling unit, "family" means two or more individuals living together in accordance with law.

"FHA" means the Federal Housing Administration and any successor entity.

"For-profit housing sponsor" means a housing sponsor which is organized for profit and may be required by the authority to agree to limit its profit in connection with the sponsorship of authority financed housing in accordance with the terms and conditions of the Act and these rules and regulations and subject to the regulatory powers of the authority.

"Gross family income" means the annualized gross income of a person or all members of a family residing or intending to reside in a dwelling unit from whatever source derived and before taxes or withholdings. For the purpose of this definition, annualized gross income means gross monthly income multiplied by 12. Gross monthly income is the sum of monthly gross pay; plus any additional income from overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, Veterans Administration compensation, net rental income; plus other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment

compensation, income received from trusts, and income received from business activities or investments).

"Multi-family dwelling unit" means a dwelling unit in multi-family residential housing.

"Nonprofit housing sponsor" means a housing sponsor which is organized not for profit and may be required by the authority to agree not to receive any limited dividend distributions from the ownership and operation of a housing development.

"Person" means:

1. An individual who is 62 or more years of age;
2. An individual who is handicapped or disabled, as determined by the executive director on the basis of medical evidence from a licensed physician or other appropriate evidence satisfactory to the executive director; or
3. An individual who is neither handicapped nor disabled nor 62 or more years of age; provided that the board may from time to time by resolution (i) limit the number of, fix the maximum number of bedrooms contained in, or otherwise impose restrictions and limitations with respect to single family dwelling units that may be financed by the authority for occupancy by such individuals and (ii) limit the percentage of multi-family dwelling units within a multi-family residential housing development that may be made available for occupancy by such individuals or otherwise impose restrictions and limitations with respect to multi-family dwelling units intended for occupancy by such individuals.

"Rent" means the rent or other occupancy charge applicable to a dwelling unit within a housing development operated on a rental basis or owned and operated on a cooperative basis.

"Reservation" means the official action as evidenced in writing, taken by the authority to designate a specified amount of funds for the financing of a mortgage loan on a single family dwelling unit.

"Single family dwelling unit" means a dwelling unit in single family residential housing.

Terms defined in the Act and used and not otherwise defined herein shall have the same meaning ascribed to them in the Act.

§ 1.2. Eligibility for occupancy.

A. The board shall from time to time establish, by resolution or by procedures, instructions and guidelines pursuant to § 1.3 of these rules and regulations, income limitations with respect to single family dwelling units financed or to be financed by the authority. Such income

limits may vary based upon the area of the state, type of program, the size and circumstances of the person or family, the type and characteristics of the single-family dwelling unit, and any other factors determined by the board to be necessary or appropriate for the administration of its programs. *Such resolution or procedures, instructions and guidelines shall specify whether the person's or family's income shall be calculated as adjusted family income or gross family income.* To be considered eligible for the financing of a single family dwelling unit, a person or family shall not have an adjusted family income or gross family income, as applicable, which exceeds the applicable income limitation established by resolution of the board. It shall be the responsibility of each applicant for the financing of a single family dwelling unit to report accurately and completely his adjusted family's family income or gross family income, as applicable, family composition and such other information relating to eligibility for occupancy as the executive director may require and to provide the authority with verification thereof.

B. To be considered eligible for occupancy of a multi-family dwelling unit financed by an authority mortgage loan, a person or family shall not have an adjusted family income greater than seven times the total annual rent, including utilities except telephone, applicable to such dwelling unit; provided, however, that the board may from time to time establish, by resolution or by procedures, instructions and guidelines pursuant to § 1.3 of these rules and regulations, lower income limits for occupancy of such dwelling unit.

C. It shall be the responsibility of the housing sponsor to examine and determine the income and eligibility of applicants for occupancy of multi-family dwelling units, report such determinations to the authority in such form as the executive director may require, reexamine and redetermine the income and eligibility of all occupants of such dwelling units every two years or at more frequent intervals if required by the executive director, and report such redeterminations to the authority in such form as the executive director may require. It shall be the responsibility of each applicant for occupancy of a multi-family dwelling unit, and of each occupant of such dwelling units, to report accurately and completely his adjusted family's income, family composition and such other information relating to eligibility for occupancy as the executive director may require and to provide the housing sponsor and the authority with verification thereof at the times of examination and reexamination of income and eligibility as aforesaid.

D. With respect to a person or family occupying a multi-family dwelling unit, if a periodic reexamination and redetermination of the adjusted family's income and eligibility as provided in subsection C of this section establishes that such person's or family's adjusted family income then exceeds the maximum limit for occupancy of such dwelling unit applicable at the time of such reexamination and redetermination, such person or family

shall be permitted to continue to occupy such dwelling unit; provided, however, that during the period that such person's or family's adjusted family income exceeds such maximum limit, such person or family may be required by the executive director to pay such rent, carrying charges or surcharge as determined by the executive director in accordance with a schedule prescribed or approved by him. If such person's or family's adjusted family income shall exceed such maximum limit for a period of six months or more, the executive director may direct or permit the housing sponsor to terminate the tenancy or interest by giving written notice of termination to such person or family specifying the reason for such termination and giving such person or family not less than 90 days (or such longer period of time as the authority shall determine to be necessary to find suitable alternative housing) within which to vacate such dwelling unit. If any person or family residing in a housing development which is a cooperative is so required to be removed from the housing development, such person or family shall be discharged from any liability on any note, bond or other evidence of indebtedness relating thereto and shall be reimbursed for all sums paid by such person or family to the housing sponsor on account of the purchase of stock or debentures as a condition of occupancy in such cooperative and any additional sums payable to such person or family in accordance with a schedule prescribed or approved by the authority, subject however to the terms of any instrument or agreement relating to such cooperative or the occupancy thereof.

§ 1.3. Procedures, instructions and guidelines.

The board may from time to time by resolution establish and modify procedures, instructions and guidelines for the implementation and administration of programs established under these rules and regulations. Such procedures, instructions and guidelines may include and, where deemed appropriate by the board, may authorize the executive director to establish and modify, such requirements, conditions and standards as may be deemed necessary or appropriate for the purpose of implementing and administering such programs, subject to and consistent with the requirements of the Act and these rules and regulations. Upon promulgation, such procedures, instructions and guidelines shall be available to the public upon request.

§ 1.4. Forms.

Forms of documents, instruments and agreements to be employed with respect to the processing of applications, the making or financing of loans under these rules and regulations, the issuance and sale of authority notes and bonds, and any other matters relating to such loans and the implementation and administration of the authority's programs shall be prepared, revised and amended from time to time under the direction and control of the executive director.

§ 1.5. Interest rates.

Proposed Regulations

The executive director shall establish the interest rate or rates to be charged to the housing sponsor or person or family in connection with any loan made or financed under these rules and regulations. To the extent permitted by the documents relating to the loan, the executive director may adjust at any time and from time to time the interest rate or rates charged on such loan. Without limiting the foregoing, the interest rate or rates may be adjusted if such adjustment is determined to be necessary or appropriate by the executive director as a result of any allocation or reallocation of such loan to or among the authority's note or bond funds or any other funds of the authority. Any interest rate or rates established pursuant to this § 1.5 shall reflect the intent expressed in subdivision 3 of subsection A of § 36-55.33:1 of the Code of Virginia.

§ 1.6. Federally assisted loans.

When a housing development or dwelling unit financed by a loan under these rules and regulations or otherwise assisted by the authority is subject to federal mortgage insurance or is otherwise assisted or aided, directly or indirectly, by the federal government or where the authority assists in the administration of any federal program, the applicable federal law and rules and regulations shall be controlling over any inconsistent provision hereof.

§ 1.7. Administration of state and federal programs; acceptance of aid and guarantees.

A. The board by resolution may authorize the authority to operate and administer any program to provide loans or other housing assistance for persons and families of low and moderate income and, in furtherance thereof, to enter into agreements or other transactions with the federal government, the Commonwealth of Virginia or any governmental agency thereof, any municipality or any other persons or entities and to take such other action as shall be necessary or appropriate for the purpose of operating and administering, on behalf of or in cooperation with any of the foregoing, any such program.

B. The board by resolution may authorize the acceptance by the authority of gifts, grants, loans, contributions or other aid, including insurance and guarantees, from the federal government, the Commonwealth of Virginia or any agency thereof, or any other source in furtherance of the purposes of the Act, do any and all things necessary in order to avail itself of such aid, agree and comply with such conditions upon which such gifts, grants, loans, contributions, insurance, guarantees or other aid may be made, and authorize and direct the execution on behalf of the authority of any instrument or agreement which it considers necessary or appropriate to implement any such gifts, grants, loans, contributions, insurance guarantees or other aid.

C. Without limitation on the provisions of subsection B of this section, the board by resolution may authorize the acceptance by the authority of any insurance or guarantee

or commitment to insure or guarantee its bonds or notes and any grant with respect to such bonds or notes, whether insured, guaranteed or otherwise, and may authorize and direct the execution on behalf of the authority of any instrument or agreement which it considers necessary or appropriate with respect thereto.

§ 1.8. Assistance of mortgage lenders.

The authority may, at its option, utilize the assistance and services of mortgage lenders in the processing, originating, disbursing and servicing of loans under these rules and regulations. The executive director is authorized to take such action and to execute such agreements and documents as he shall deem necessary or appropriate in order to procure, maintain and supervise such assistance and services. In the case of authority mortgage loans to be financed from the proceeds of obligations issued by the authority pursuant to § 36-55.37:1 of the Code of Virginia, the authority shall be required to utilize such assistance and services of mortgage lenders in the origination and servicing of such authority mortgage loans.

§ 1.9. Waiver.

The board by resolution may for good cause in any particular case waive or vary any of the provisions of these rules and regulations.

§ 1.10. Amendment.

These rules and regulations may be amended and supplemented by the board at such times and in such manner as it may determine, to the extent not inconsistent with the Act or with other applicable provisions of law.

§ 1.11. Separability.

If any clause, sentence, paragraph, section or part of these rules and regulations shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

PART II. MULTI-FAMILY RENTAL HOUSING PROGRAM.

§ 2.1. Mortgage loans.

A. This Part II shall govern mortgage loans made by the authority to housing sponsors to finance the development, construction and rehabilitation and/or the ownership and operation of multi-family residential housing. For purposes of this Part II, multi-family residential housing shall include housing developments intended to be owned and operated on a cooperative basis.

B. Authority mortgage loans as described in subsection A

of this section may be made to for-profit housing sponsors in original principal amounts not to exceed 95% of the housing development costs as determined by the authority, and to nonprofit housing sponsors in amounts not to exceed 100% of the housing development costs as determined by the authority.

C. Authority mortgage loans as described in subsection A of this section may be made for terms of up to 50 years, including the period of any development and construction or rehabilitation of the housing development. The term of any such mortgage loan, the amortization period, the estimated housing development costs, the principal amount of the mortgage loan, the terms and conditions applicable to any equity contribution by the housing sponsor, any assurances of successful completion and operational stability of the housing development, and other terms and conditions of such mortgage loan shall be set forth in the board's resolution authorizing such mortgage loan or in the mortgage loan commitment issued on behalf of the authority pursuant to such resolution.

§ 2.2. Applications and processing.

A. The processing of applications for authority mortgage loans pursuant to this Part II will be governed by the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations.

B. Upon satisfactory completion of the processing of such application by the authority staff in accordance with the aforesaid procedures, instructions and guidelines and approval of the application by the executive director, the authority staff's analysis of the application and the executive director's recommendation with respect thereto shall be presented to the board.

The board shall review each such analysis and recommendation and, if it determines that the application meets the requirements of the Act, these rules and regulations and the authority's procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations, the board may by resolution authorize an authority mortgage loan to the housing sponsor. Such resolution shall authorize the executive director to issue an authority mortgage loan commitment to the housing sponsor for the financing of the proposed housing development.

An authority mortgage loan shall not be authorized unless the board by resolution shall make the applicable findings required by § 36-55.39 of the Code of Virginia; provided, however, that the board may in its discretion authorize the authority mortgage loan without making the finding, if applicable, required by subsection B of § 36-55.39 of the Code of Virginia, subject to the condition that such finding be made by the board prior to the financing of the authority mortgage loan.

Such resolution, or the authority mortgage loan commitment issued by the executive director pursuant to

such resolution, shall include such terms and conditions as the authority considers appropriate with respect to the development, construction or rehabilitation of the proposed housing development, the marketing and occupancy of such housing development, the disbursement and repayment of the authority mortgage loan, and other matters related to the development, construction or rehabilitation and the ownership and operation of the proposed housing development. Such resolution or authority mortgage loan commitment may include a financial analysis of the proposed housing development, setting forth the initial schedule of rents, the approved initial budget for operation of the housing development and a schedule of the estimated housing development costs. Such a resolution authorizing an authority mortgage loan to a for-profit housing sponsor shall, if applicable, include a determination of the maximum annual rate at which distributions may be made by such for-profit housing sponsor with respect to such housing development pursuant to the provisions of subsection B of § 2.4 of these rules and regulations.

C. Subsequent to adoption of the resolution of the board authorizing an authority mortgage loan, the executive director may, without further action by the board, increase the principal amount of such authority mortgage loan by an amount not to exceed 2.0% of the principal amount of such authority mortgage loan, provided that such an increase is consistent with the Act, these rules and regulations and the procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations.

§ 2.3. Regulation of housing sponsors.

The authority shall have the power to supervise the housing sponsor in accordance with the provisions of § 36-55.34:1 of the Code of Virginia and the terms of the agreements relating to the authority mortgage loan at all times during which the authority mortgage loan is outstanding. The executive director may require the housing sponsor to execute a regulatory agreement with the authority, and such other related documents as the executive director shall determine to be necessary or appropriate, which shall authorize the authority to regulate such aspects of the development, construction or rehabilitation, operations, use and disposition of the proposed housing development and of the activities of the housing sponsor as the executive director shall determine to be necessary or appropriate to protect the interests of the authority and to permit fulfillment of the authority's duties and responsibilities under the Act and these rules and regulations.

§ 2.4. Allowable categories of cost; limited dividend distributions.

A. The categories of cost which shall be allowable by the authority in development, construction or rehabilitation of a housing development financed under this Part II shall include the following: (i) development and construction or

Proposed Regulations

rehabilitation costs, including equipment, labor and materials furnished by the owner, contractor or subcontractors, general requirements for job supervision, an allowance for office overhead of the contractor, building permit, bonds and letters of credit to assure completion, water, sewer and other utility fees, and a contractor's profit or a profit and risk allowance in lieu thereof; (ii) architectural and engineering fees; (iii) interest on the mortgage loan; (iv) real estate taxes, hazard insurance premiums and mortgage insurance premiums; (v) title and recording expenses; (vi) surveys; (vii) test borings; (viii) the authority's financing fees; (ix) legal and accounting expenses; (x) in the case of a nonprofit housing sponsor, organization and sponsor expenses, consultant fees, and a reserve to make the project operational; (xi) off-site costs; (xii) the cost or fair market value of the land and any improvements thereon to be used in the housing development; (xiii) tenant relocation costs; (xiv) operating reserves to be funded from proceeds of the mortgage loan; (xv) and such other categories of costs which the authority shall determine to be reasonable and necessary for the development and construction or rehabilitation of the housing development. The extent to which costs in any of such categories shall be recognized or allowed in respect of a specific housing development shall be established by the terms of a cost certification guide which shall be prepared and, from time to time, revised by the executive director and which shall be incorporated by reference into the documents executed with respect to each such mortgage loan. Upon completion of the development and construction or rehabilitation of the housing development, the housing sponsor shall certify to the authority the total of the housing development costs in accordance with these rules and regulations and the cost certification guide, subject to the review and determination of the authority. In lieu of such certification of housing development costs, the executive director may require the housing sponsor to provide such other assurances of housing development costs as he shall deem necessary to enable the authority to determine with reasonable accuracy the actual amount of such housing development costs.

B. In connection with an authority mortgage loan to a for-profit housing sponsor pursuant to this Part II:

1. The board's resolution authorizing such mortgage loan shall prescribe the maximum annual rate, if any, at which distributions may be made by such for-profit housing sponsor with respect to such housing development, expressed as a percentage of such for-profit housing sponsor's equity in such housing development (such equity being established in accordance with paragraph 3 of this subsection), which rate, if any, shall not be inconsistent with the provisions of the Act. In connection with the establishment of any such rates, the board shall not prescribe differing or discriminatory rates with respect to substantially similar housing developments. The board's resolution authorizing such mortgage loan shall specify whether any such maximum annual rate of

distributions shall be cumulative or noncumulative;

2. Any payments to a person or entity who is a principal, stockholder or holder of a beneficial interest in such for-profit housing sponsor shall not be deemed a "distribution" or "return" to such person or entity if the funds with which such payment is made are funds paid or contributed to such for-profit housing sponsor by persons or entities purchasing a beneficial interest in such for-profit housing sponsor; and

3. Subsequent to completion of such housing development and in conjunction with other determinations made on behalf of the authority as to allowable housing development costs and related matters, the executive director shall establish the for-profit housing sponsor's equity in such housing development. Such equity shall be the difference between (i) the amount of either (A) the total housing development costs of such housing development as finally determined by the authority or (B) the fair market value of such housing development and (ii) the final principal amount of the authority mortgage loan as to such housing development. The authority may thereafter from time to time adjust such equity to be the difference, as of the date of adjustment, between the fair market value of such housing development and the outstanding principal balance of the authority mortgage loan. The manner for so determining and adjusting such equity shall be established in the board's resolution authorizing the authority mortgage loan or in amendments to such resolution.

§ 2.5. Tenant selection plan.

As a part of each application for an authority mortgage loan under this Part II, the housing sponsor shall prepare and submit to the authority for its review and approval a proposed tenant selection plan with respect to the proposed housing development. The proposed tenant selection plan shall include, among other information that the executive director may require from time to time, the following:

1. The proposed rent structure of the proposed housing development;
2. The utilization of any subsidy or other assistance from the federal government or any other source;
3. Income limitations of the authority for initial occupancy of the dwelling units in the proposed housing development as determined in accordance with these rules and regulations;
4. The proposed income levels of occupants;
5. Any arrangements contemplated by the housing sponsor for occupant referrals or relocations from federal, state or local government agencies or

community organizations;

6. The marketing activities to be performed with respect to the leasing of the proposed housing development (including any affirmative marketing efforts and media advertising plans) and the identity and qualifications of the proposed marketing and management agents of the housing sponsor; and

7. Any criteria to be used for disapproving applicants and for establishing priorities among eligible applicants for occupancy of the proposed housing development.

PART III. SINGLE FAMILY DEVELOPMENT AND CONSTRUCTION LOANS.

§ 3.1. Development and construction loans.

A. This Part III shall govern mortgage loans made by the authority to housing sponsors for the development and construction or rehabilitation of single family residential housing for eventual sale to persons or families of low or moderate income.

B. Authority mortgage loans as described in subsection A of this section may be made to housing sponsors for terms not in excess of five years and in original principal amounts not to exceed 95% of the estimated total housing development costs as determined by the authority, except that in the case of nonprofit housing sponsors the original principal amount of the authority mortgage loans may not exceed 100% of the estimated total housing development costs as determined by the authority. In determining the estimated total housing development costs, the categories of costs which shall be includable therein shall be those set forth in § 2.4 of these rules and regulations, to the extent deemed by the executive director to be applicable to the housing development, and such other costs as the authority shall deem reasonable and necessary for the sale and conveyance of the single family dwelling units. The estimated total housing development costs and the principal amount of the authority mortgage loan with respect to such housing development, together with other terms and conditions of the authority mortgage loan and related matters, shall be set forth in the board's resolution authorizing such mortgage loan or in the mortgage loan commitment issued by the authority pursuant to such resolution.

§ 3.2. Applications and processing.

A. The processing of applications for authority mortgage loans pursuant to this Part III will be governed by the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations.

B. Upon satisfactory completion of the processing of such application by the authority staff in accordance with the aforesaid procedures, instructions and guidelines and approval of the application by the executive director, the

authority staff's analysis of the application and the executive director's recommendation with respect thereto shall be presented to the board.

The authority board shall review each such analysis and recommendation and, if it determines that the application meets the requirements of the Act, these rules and regulations and the authority's procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations, the board may by resolution authorize an authority mortgage loan to the housing sponsor. Such resolution shall authorize the executive director to issue an authority mortgage loan commitment to the housing sponsor for the financing of the proposed housing development.

An authority mortgage loan shall not be authorized unless the board by resolution shall make the findings required by subsection A § 36-55.39 of the Code of Virginia.

Such resolution, or the authority mortgage loan commitment issued by the executive director pursuant to such resolution, shall include such terms and conditions as the authority considers appropriate with respect to the construction of the proposed housing development, the marketing and sale of the single family dwelling units in such housing development, the disbursement and repayment of the authority mortgage loan, assurances of successful completion of the proposed housing development, and all other matters related to the development, construction or rehabilitation and sale of the proposed housing development. Such resolution or authority mortgage loan commitment may include a financial analysis of the proposed housing development setting forth the sales price limits for the single family dwelling units within the proposed housing development and a schedule of the estimated housing development costs.

Subsequent to adoption of the resolution of the board authorizing an authority mortgage loan pursuant to this Part III, the executive director may, without further action by the board, increase the principal amount of such authority mortgage loan by an amount not to exceed 2.0% of such mortgage loan, provided that such an increase is consistent with the Act, these rules and regulations and the procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations.

§ 3.3. Regulation of housing sponsors.

The authority shall have the power to supervise the housing sponsor in accordance with the provisions of § 36-55.34:1 of the Code of Virginia and the terms of the agreements relating to the authority mortgage loan at all times during which the authority mortgage loan is outstanding. The executive director may require the housing sponsor to execute a regulatory agreement with the authority, and such other related documents as the executive director shall determine to be necessary or appropriate, which shall authorize the authority to regulate

Proposed Regulations

such aspects of the development, construction or rehabilitation and sale of the proposed housing development as the executive director shall determine to be necessary or appropriate to protect the interests of the authority and to permit fulfillment of the authority's duties and responsibilities under the Act and these rules and regulations.

§ 3.4. Sale of single family housing units.

A. As a part of each application for an authority mortgage loan under this Part III, the housing sponsor shall prepare and submit to the authority a proposed marketing plan for review and approval by the authority. The proposed marketing plan shall include, among other information that the executive director may require from time to time, the following:

1. The proposed sales prices of the single family dwelling units;
2. The utilization of any mortgage insurance, subsidy or other assistance from the federal government or any other source;
3. The proposed income levels of purchasers therefor, which income levels shall not exceed the income limitations of the authority applicable to the single family dwelling units; and
4. The marketing activities to be performed with respect to the sale of the single family dwelling units (including any affirmative marketing efforts and media advertising plans) and the identity and qualifications of the proposed marketing agent of the housing sponsor.

B. In the event that a single family dwelling unit shall be sold to a purchaser who is not qualified to receive an authority mortgage loan under the applicable income limitations established pursuant to subsection A of § 1.2 of these rules and regulations, the authority shall have the right to require the housing sponsor to pay a penalty in such amount as shall be prescribed in the board's resolution authorizing the mortgage loan or in the authority mortgage loan commitment issued pursuant to such resolution.

PART IV. SINGLE FAMILY LOANS TO INDIVIDUAL PURCHASERS.

§ 4.1. Mortgage loans.

A. This Part IV shall govern mortgage loans made by the authority to persons or families of low or moderate income for the acquisition (and, where applicable, rehabilitation), ownership and occupancy of single family dwelling units.

B. Authority mortgage loans pursuant to subsection A of

this section may be made only to persons or families of low or moderate income qualified pursuant to subsection A of § 1.2 of these rules and regulations.

C. The board may from time to time establish by resolution sales price limits for single family dwelling units financed or to be financed by the authority. Such sales price limits may vary based upon the area of the state, the type of program, the size and circumstances of the person or family who is to occupy such dwelling unit, the type and characteristics of such dwelling unit, and any other factors determined by the board to be necessary or appropriate for the administration of the program under this Part IV.

D. An authority mortgage loan to be financed under this Part IV hereof may be made for a term not to exceed 50 years. The original principal amount and term of any such authority mortgage loan, the amortization period, the terms and conditions relating to the prepayment thereof, and such other terms, conditions and requirements as the executive director deems necessary or appropriate shall be set forth in the mortgage loan commitment issued on behalf of the authority with respect to such mortgage loan.

E. The original principal amount of authority mortgage loans made pursuant to this Part IV shall not exceed 98% of the first \$25,000 of the sales price of the single family dwelling unit and 95% of the amount of the sales price of the single family dwelling unit in excess of \$25,000 or, in the case of authority mortgage loans guaranteed or insured by the Veterans' Administration, 100% of the sales price of the single family dwelling unit, to the extent such sales price is approved by the executive director and subject to such further limitations as may be provided in the procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations. The term "sales price," with respect to authority mortgage loans for the combined acquisition and rehabilitation of a single family dwelling unit, shall include the cost of acquisition, plus the cost of rehabilitation and debt service for such period of rehabilitation, not to exceed three months, as the executive director shall determine that such dwelling unit will not be available for occupancy.

§ 4.2. Applications and processing.

A. The processing of applications for authority mortgage loans pursuant to this Part IV will be governed by the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations.

B. If the applicant and the application meet the requirements of the Act, these rules and regulations and the procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations, the executive director may issue on behalf of the authority an authority mortgage loan commitment to the applicant for the financing of the single family dwelling unit, subject to the approval or ratification thereof by the board. Such authority mortgage loan commitment shall be issued only

upon the determination of the authority that such a mortgage loan is not otherwise available from private lenders upon reasonably equivalent terms and conditions, and such determination shall be set forth in the authority mortgage loan commitment.

PART V. HOME REHABILITATION LOANS.

§ 5.1. General purpose.

This Part V shall govern the making of loans by the authority to persons or families of low or moderate income for the rehabilitation of single family dwelling units. For the purposes of this Part V, such loans shall be referred to as "home rehabilitation loans."

§ 5.2. Terms of home rehabilitation loans.

A. A home rehabilitation loan may be made pursuant to this Part V only to a borrower who is a person or family of low and moderate income qualified pursuant to subsection A of § 1.2 of these rules and regulations. The types of improvements which may be financed by a home rehabilitation loan shall be established from time to time by the board and shall be set forth in the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations.

B. Home rehabilitation loans to be financed under this Part V may be made for a term not to exceed 30 years. The original principal amount of any such home rehabilitation loan shall not exceed 100% of the total cost of the rehabilitation.

C. Home rehabilitation loans shall be secured by mortgages, in such form or forms as may be approved by the executive director, on the real property with respect to which such home rehabilitation loans are made.

§ 5.3. Application and processing.

A. The processing of application for home rehabilitation loans under this Part V will be governed by the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations.

B. If the executive director determines that the applicant and the application for a home rehabilitation loan meet the requirements of the Act, the rules and regulations set forth in this Part V, and the applicable procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations, he may issue on behalf of the authority a commitment to the applicant with respect to such home rehabilitation loan, subject to the approval or ratification thereof by the authority board. The original principal amount, term and interest rate or rates on the home rehabilitation loan and such other terms, conditions and requirements as the executive director deems necessary or appropriate shall be set forth in the commitment.

PART VI. ENERGY LOANS.

§ 6.1. General purpose; applicability.

A. This Part VI shall govern the making of loans to finance the purchase and installation of energy saving measures and alternative energy sources which will reduce the reliance on present sources of energy for use in the dwellings of residents of the Commonwealth of Virginia or in public or nonprofit buildings or facilities. Such measures and sources shall include, but not be limited to, insulation, caulking, weatherstripping, storm windows and doors, furnace modification or replacement, and solar energy devices. For purposes of this Part VI, such loans shall be referred to as "energy loans."

B. Any energy loans made with respect to dwellings shall be limited to dwellings occupied by persons and families of low and moderate income qualified pursuant to subsection A of § 1.2 of these rules and regulations or pursuant to standards under applicable federal rules and regulations as approved by the board with any modifications thereto. Energy loans shall be made only for the purposes set forth in subsection A of this section.

§ 6.2. Terms of energy loans.

A. Energy loans to be financed under this Part VI may be made for a term not to exceed 30 years. The original principal amount of any such energy loans shall not exceed 100% of the total cost of the energy saving measures and alternative energy sources as described in § 6.1 of these rules and regulations.

B. The authority may, at its option, require that energy loans (i) be insured by a private mortgage insurance company; (ii) be insured or otherwise assisted by an appropriate agency of the federal or state government; and/or (iii) be secured by a mortgage.

§ 6.3. Processing of loan application and issuance of loan commitments.

The processing of applications for energy loans pursuant to this Part VI will be governed by the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations. If the executive director determines that the applicant and the application for an energy loan meet the requirements of (i) the Act; (ii) the rules and regulations set forth in this Part VI; and (iii) the applicable procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations, he may issue on behalf of the authority a loan commitment to the applicant with respect to such energy loan, subject to the approval or ratification thereof by the authority board. The original principal amount, term and interest rate or rates on any energy loan and such other terms, conditions and requirements as the executive director deems necessary or appropriate shall be set forth in the loan commitment issued by the

Proposed Regulations

authority with respect to such energy loan.

PART VII. PURCHASE OF MORTGAGE LOANS.

§ 7.1. Applicability.

This Part VII shall govern the purchase of mortgage loans from a mortgage lender to finance residential housing for persons and families of low and moderate income qualified pursuant to § 1.2 of these rules and regulations.

§ 7.2. Purchase of mortgage loans to finance single family dwelling units.

A. The authority may from time to time purchase from mortgage lenders mortgage loans which at the time of such purchase are financing single family dwelling units. Any mortgage loan to be so purchased shall have been made to a mortgagor who as of the date of the mortgage loan was a person or family of low or moderate income qualified pursuant to subsection A of § 1.2 of these rules and regulations. The sales price for the single family dwelling unit to be financed by any such mortgage loan shall comply with any applicable limits established pursuant to subsection C of § 4.1 of these rules and regulations or otherwise established by resolution of the board. The term of the mortgage loan to be so purchased shall not exceed 50 years, and the date on which the mortgage loan was made shall not precede the date of the issuance of the authority's commitment to purchase such mortgage loan by such numbers of years as the executive director may from time to time prescribe. The original principal amount of the mortgage loan shall not exceed the limits set forth in subsection E of § 4.1 of the rules and regulations.

B. The processing of applications for the purchase of mortgage loans pursuant to this § 7.2 will be governed by the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations. If the applicant and the application meet the requirements of the Act, these rules and regulations and the procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations, the executive director may issue on behalf of the authority a commitment to the mortgage lender to purchase such mortgage loan, subject to the approval or ratification thereof by the authority board. Such commitment shall include such terms and conditions as the executive director shall consider necessary or appropriate with respect to such purchase of the mortgage loan.

§ 7.3. Purchase of mortgage loans to finance multi-family dwelling units.

A. The authority may from time to time purchase from mortgage lenders mortgage loans which at the time of such purchase are financing multi-family dwelling units. The term of the mortgage loan to be so purchased shall

not exceed 50 years, including the period (if any) of development and construction or rehabilitation. The date on which the mortgage loan was made shall not precede the date of the issuance of the authority's commitment to purchase such mortgage loan by such number of years as the executive director may from time to time prescribe. Any mortgage loan to be so purchased shall comply with, and shall be subject to, the provisions of §§ 2.3 and 2.5 of these rules and regulations and such other provisions of Part II of these rules and regulations as the resolution authorizing the purchase of such mortgage loan, or the commitment issued pursuant thereto, shall require.

B. The processing of application for the purchase of mortgage loans pursuant to this § 7.3 will be governed by the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations.

Upon satisfactory completion of the processing of such application by the authority staff in accordance with the aforesaid procedures, instructions and guidelines and approval of the application by the executive director, the authority staff's analysis of the application and the executive director's recommendation with respect thereto shall be presented to the board.

The board shall review each such analysis and recommendation and, if it determines that the application meets the requirements of the Act, these rules and regulations and the authority's procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations, the board may by resolution authorize the purchase of the mortgage loan and the issuance of a commitment with respect thereto.

Such resolution, or the authority commitment issued by the executive director pursuant to such resolution, shall include such terms and conditions as the authority considers appropriate with respect to any construction or rehabilitation of the housing development, the marketing and occupancy of such housing development, the disbursement and repayment of the mortgage loan, and other matters related to the financing of the housing development. Such resolution or authority commitment may include a financial analysis of the housing development, which shall set forth the initial schedule of rents, the initial budget approved by the authority for operation of the housing development and, if applicable, a schedule of the estimated housing development costs. Subsequent to adoption of such resolution, the executive director may increase the principal amount of the mortgage loan in accordance with the provisions of subsection C of § 2.2 of these rules and regulations.

§ 7.4. Requests for proposals; reinvestment of proceeds; certification as to prudent investment.

A. The executive director may from time to time request mortgage lenders to submit offers to sell mortgage loans to the authority in such manner, within such time

Proposed Regulations

period and subject to such terms and conditions as he shall specify in such request. The executive director may take such action as he shall deem necessary or appropriate to solicit offers to sell mortgage loans, including mailing of the request to mortgage lenders, advertising in newspapers or other publications, and any other methods of public announcement which he may select as appropriate under the circumstances. The executive director may also consider and accept offers for sale of individual mortgage loans submitted from time to time to the authority without any solicitation therefor by the authority.

B. The authority shall require as a condition of the purchase of any mortgage loans from a mortgage lender pursuant to this Part VII that such mortgage lender within 180 days from the receipt of proceeds of such purchase shall enter into written commitments to make, and shall thereafter proceed as promptly as practical to make and disburse from such proceeds, residential mortgage loans in the Commonwealth of Virginia having a stated maturity of not less than 20 years from the date thereof in an aggregate principal amount equal to the amount of such proceeds.

C. At or before the purchase of any mortgage loan pursuant to this Part VII, the mortgage lender shall certify to the authority that the mortgage loan would in all respects be a prudent investment and that the proceeds of the purchase of the mortgage loan shall be reinvested as provided in subsection B of this section or invested in short-term obligations pending such investment.

D. The purchase price for any mortgage loan to be purchased by the authority pursuant to this Part VII shall be established in accordance with subdivision 2 of § 36-55.35 of the Code of Virginia.

The *proposed* effective date of the foregoing rules and regulations shall be July 1, 1987 August 10, 1987 .

* * * * *

Title of Regulation: VR 400-02-0003. Procedures, Instructions and Guidelines for Single Family Mortgage Loans to Persons and Families of Low and Moderate Income.

Statutory Authority: § 36-55.30:3 of the Code of Virginia.

Public Hearing: N/A

NOTICE: Documents and forms referred to as exhibits have not been adopted by the authority as a part of the Procedures, Instructions and Guidelines for Single Family Mortgage Loans to Persons and Families of Low and Moderate Income but are attached thereto for reference and informational purposes. Accordingly, such documents and forms have not been included in the amendments to Procedures, Instructions and Guidelines for Single Family Mortgage Loans to Persons and Families of Low and

Moderate Income. Copies of such documents and forms are available upon request at the office of the authority.

Summary:

The proposed amendments to the authority's procedures, instructions and guidelines change the method of calculating the income of an applicant for an authority single family mortgage loan from an adjusted gross income calculation to a gross income calculation. The authority's income limits have also been revised to neutralize the effect of this new method of calculation by adding back to each income limit the average amount of adjustments which, under the current adjusted income method of calculation, are subtracted from an applicant's gross income. Because the Tax Reform Act of 1986 imposes gross income limits on applicants and because the authority's proposed gross income limits are in all cases below the federal limits, the proposed changes enable an applicant to automatically meet the applicable federal limit in each case as long as the authority's applicable limit is met.

In addition, four of the authority's sales price limitations have been reduced in order to comply with reductions in the permissible federal acquisition cost limits imposed by the Tax Reform Act of 1986. Other changes include (i) the deletion of the restriction on the number of one-person households eligible for single family mortgage loans, (ii) the modification of the provisions concerning assumptions to permit the assumption of all authority single family mortgage loans as long as certain conditions are met, (iii) the simplification of the property guidelines that single family homes must meet, (iv) the modification of the provisions concerning commitments to permit the issuance of a second commitment within a year's time to an applicant who failed to close through no fault of his own, (v) the expansion of the net worth provisions to clarify what assets should and should not be included in the calculation thereof, (vi) the addition of a section describing how loan funds are reserved for the making of single family mortgage loans, (vii) and the addition of provisions to specifically address the requirements for loans insured or guaranteed by the Federal Housing Administration or the Veterans Administration.

VR 400-02-0003. Procedures, Instructions and Guidelines for Single Family Mortgage Loans to Persons and Families of Low and Moderate Income.

PART I. GENERAL.

§ 1.1. General.

The following procedures, instructions and guidelines will be applicable to mortgage loans which are made or financed or are proposed to be made or financed by the

Proposed Regulations

authority to persons and families of low and moderate income for the acquisition (and, where applicable, rehabilitation), ownership and occupancy of single family housing units.

In order to be considered eligible for a mortgage loan hereunder, a "person" or "family" (as defined in the authority's rules and regulations) must have an "adjusted family income" or "gross family income" (as determined in accordance with the authority's rules and regulations) as applicable, which does not exceed the applicable income limitation established by the authority. Furthermore, the sales price of any single family unit to be financed hereunder must not exceed the applicable sales price limit established by the authority. In addition, each mortgage loan must satisfy all requirements of federal law applicable to loans financed with the proceeds of tax-exempt bonds. Such income and sales price limitations and other restrictions shall be set forth in the Processing and Disbursing Guide described in § 1.2 C set forth in Part II hereof.

Notwithstanding anything to the contrary herein, the executive director is authorized with respect to any mortgage loan hereunder to waive or modify any provisions of these procedures, instructions and guidelines where deemed appropriate by him for good cause, to the extent not inconsistent with the authority's act, rules and regulations, and covenants and agreements with the holders of its bonds.

"Executive director" as used herein means the executive director of the authority or any other officer or employee of the authority who is authorized to act on behalf of the authority pursuant to a resolution of the board.

All reviews, analyses, evaluations, inspections, determinations and other actions by the authority pursuant to the provisions of these procedures, instructions and guidelines shall be made for the sole and exclusive benefit and protection of the authority and shall not be construed to waive or modify any of the rights, benefits, privileges, duties, liabilities or responsibilities of the authority or the mortgagor under the agreements and documents executed in connection with the mortgage loan.

The procedures, instructions and guidelines set forth herein are intended to provide a general description of the authority's processing requirements and are not intended to include all actions involved or required in the processing and administration of mortgage loans under the authority's single family housing program. These procedures, instructions and guidelines are subject to change at any time by the authority and may be supplemented by policies, procedures, instructions and guidelines adopted by the authority from time to time.

§ 1.2. Processing/dispersing/servicing PDS agents.

A. The processing of applications for the making or financing of mortgage loans hereunder, the disbursement

of proceeds of mortgage loans and the servicing of mortgage loans shall be performed through commercial banks, savings and loan associations and private mortgage bankers approved as Processing/Disbursing/Servicing Agents ("PDS agents") of the authority. To be initially approved as PDS agents, the applicant must meet the following qualifications:

1. Be authorized to do business in the Commonwealth of Virginia;
2. Have a satisfactory rating from any state and/or federal agencies responsible for the regulation of the applicant;
3. Have a net worth equal to or in excess of \$100,000 or, in the case of a savings and loan association, have its deposits insured by the Federal Savings and Loan Insurance Corporation;
4. Have aggregate servicing and originating volume during the preceding five years at least equal to 10 times the principal amount of loans expected to be initially serviced and originated for the authority;
5. Have a staff with demonstrated ability and experience in mortgage loan origination and servicing;
6. Each branch office of the applicant that is to originate mortgage loans must have demonstrated experience in the origination of mortgage loans;
7. Have a delinquency rate on its portfolio of serviced mortgage loans not in excess of 5.1%;
8. Have a foreclosure rate on portfolio of serviced mortgage loans not in excess of 1.0% annually;
9. Have reasonable business hours - i.e. be open to the public at least five hours every banking day; and
10. Such other qualifications as the executive director shall deem to be related to the performance of its duties and responsibilities.

If the applicant is to originate (but not service) mortgage loans, the applicant must satisfy the qualification set forth in (4) and (5) above only with respect to the origination of mortgage loans.

All PDS agents approved by the authority shall enter into Processing/Disbursing/Servicing Agreements ("PDS agreements") with the authority containing such terms and conditions as the executive director shall require with respect to the processing, disbursing and servicing of mortgage loans hereunder. The PDS agents shall maintain adequate books and records with respect to such mortgage loans, shall permit the authority to examine such books and records, and shall submit to the authority such reports (including annual financial statements) and information as the authority may require. The fees payable to the PDS

agent for originating and servicing mortgage loans hereunder shall be established from time to time by the executive director and shall be set forth in the PDS agreements.

B. Allocation of funds.

The executive director shall allocate funds for the making or financing of mortgage loans hereunder in such manner, to such persons and entities, in such amounts, for such period, and subject to such terms and conditions as he shall deem appropriate to best accomplish the purposes and goals of the authority. Without limiting the foregoing, the executive director may allocate funds (i) to mortgage loan applicants on a first-come, first-serve or other basis, (ii) to PDS agents and state and local government agencies and instrumentalities for the origination of mortgage loans to qualified applicants and/or (iii) to builders for the permanent financing of residences constructed or rehabilitated or to be constructed or or rehabilitated by them and to be sold to qualified applicants. In determining how to so allocate the funds, the executive director may consider such factors as he deems relevant, including any of the following:

1. The need for the expeditious commitment and disbursement of such funds for mortgage loans;
2. The need and demand for the financing of mortgage loans with such funds in the various geographical areas of the Commonwealth;
3. The cost and difficulty of administration of the allocation of funds;
4. The capability, history and experience of any PDS agents, state and local governmental agencies and instrumentalities, builders, or other persons and entities (other than mortgage loan applicants) who are to receive an allocation; and
5. Housing conditions in the Commonwealth.

In the event that the executive director shall determine to make allocations of funds to builders as described above, the following requirements must be satisfied by each such builder:

1. The builder must have a valid contractor's license in the Commonwealth;
2. The builder must have at least three years' experience of a scope and nature similar to the proposed construction or rehabilitation; and
3. The builder must submit to the authority plans and specifications for the proposed construction or rehabilitation which are acceptable to the authority.

The executive director may from time to time take such action as he may deem necessary or proper in order to

solicit applications for allocation of funds hereunder. Such actions may include advertising in newspapers and other media, mailing of information to prospective applicants and other members of the public, and any other methods of public announcement which the executive director may select as appropriate under the circumstances. The executive director may impose requirements, limitations and conditions with respect to the submission of applications as he shall consider necessary or appropriate. The executive director may cause market studies and other research and analyses to be performed in order to determine the manner and conditions under which funds of the authority are to be allocated and such other matters as he shall deem appropriate relating thereto. The authority may also consider and approve applications for allocations of funds submitted from time to time to the authority without any solicitation therefor on the part of the authority.

C. Processing and Disbursing Guide and Servicing Guide.

The Processing and Disbursing Guide attached hereto as Part II is incorporated into and made a part of these procedures, instructions and guidelines. The executive director is authorized to prepare and from time to time revise a Servicing Guide which shall set forth the accounting and other procedures to be followed by the PDS agents in the servicing of the mortgage loans under the PDS agreements. Copies of the Servicing Guide shall be available upon request. The executive director shall be responsible for the implementation and interpretation of the provisions of the Processing and Disbursing Guide and the Servicing Guide.

D. Making and purchase of new mortgage loans.

The authority may from time to time (i) make mortgage loans directly to mortgagors with the assistance and services of its PDS agents and (ii) agree to purchase individual mortgage loans from its PDS agents upon the consummation of the closing thereof. The review and processing of applications for such mortgage loans, the issuance of mortgage loan commitments therefor, the closing and servicing (and, if applicable, the purchase) of such mortgage loans, and the terms and conditions relating to such mortgage loans shall be governed by and shall comply with the provisions of the PDS agreement, the Processing and Disbursing Guide, the Servicing Guide and the authority's act and rules and regulations.

E. Purchase of existing mortgage loans.

The authority may purchase from time to time existing mortgage loans with funds held or received in connection with bonds issued by the authority prior to January 1, 1981, or with other funds legally available therefor. With respect to any such purchase, the executive director may request and solicit bids or proposals from the authority's PDS agents for the sale and purchase of such mortgage loans, in such manner, within such time period and subject to such terms and conditions as he shall deem appropriate

Proposed Regulations

under the circumstances. The executive director may take such action as he deems necessary or appropriate to solicit offers to sell mortgage loans, including mailing of the request to PDS agents, advertising in newspapers or other publications and any other method of public announcement which he may select as appropriate under the circumstances. After review and evaluation by the executive director of the bids or proposals, he shall select those bids or proposals that offer the highest yield to the authority on the mortgage loans (subject to any limitations imposed by law on the authority) and that best conform to the terms and conditions established by him with respect to the bids or proposals. Upon selection of such bids or proposals, the executive director shall issue commitments to the PDS agents to purchase the mortgage loans, subject to such terms and conditions as he shall deem necessary or appropriate and subject to the approval or ratification by the board. Upon satisfaction of the terms of the commitments, the executive director shall execute such agreements and documents and take such other action as may be necessary or appropriate in order to consummate the purchase and sale of the mortgage loans. The mortgage loans so purchased shall be serviced in accordance with the PDS agreement and the Servicing Guide. Such mortgage loans and the purchase thereof shall in all respects comply with the authority's act and rules and regulations.

F. Delegated underwriting.

The executive director may, in his discretion, delegate to one or more PDS agents the responsibility for issuing commitments for mortgage loans and disbursing the proceeds hereof without prior review and approval by the authority. The issuance of such commitments shall be subject to ratification thereof by the board of the authority. If the executive director determines to make any such delegation, he shall establish criteria under which PDS agents may qualify for such delegation. If such delegation has been made, the PDS agents shall submit all required documentation to the authority after closing of each mortgage loan. If the executive director determines that a mortgage loan does not comply with the Processing and Disbursing Guide, the PDS agreement or the authority's act or rules and regulations, he may require the PDS Agents to purchase such mortgage loan, subject to such terms and conditions as he may prescribe.

PART II. VIRGINIA HOUSING DEVELOPMENT AUTHORITY PROCESSING AND DISBURSING GUIDE.

Article I. Eligibility Requirements.

§ 2.1. Eligible persons and families.

A. Person.

A one-person household is eligible ; but the authority will restrict the number of loans that the PDS agent can

originate for such persons and has established sales price limits for such households. An individual who is 62 or more years of age or who is handicapped or disabled shall not be deemed a one-person household for these purposes .

B. Family.

A single family loan can be made to more than one person only if all such persons to whom the loan is made are related by blood, marriage or adoption and are living together in the dwelling as a single nonprofit housekeeping unit.

1. Allocation to one-person households.

The maximum number of one-person households will be limited to 17% of all units financed. Units will be allocated by planning district with each planning district to receive funds based on its relative need. Allocation of one-person households to PDS agents and builders will be made based upon the dollar amount of their allocation and geographical location. The maximum number of one-person households allowed will be specified in the Forward Commitment Agreement and Builder Commitment Agreement.

§ 2.2. Compliance with certain requirements of the Mortgage Subsidy Bond Tax Act of 1980 Internal Revenue Code of 1986, as amended (hereinafter "the tax code") .

The federal Mortgage Subsidy Bond Tax Act of 1980 tax code imposes certain new requirements and restrictions on the eligibility of mortgagors and residences for financing with the proceeds of tax-exempt bonds. In order to comply with this these federal law requirements and restrictions , VHDA is establishing the authority has established certain procedures which must be performed by the PDS agent in order to determine such eligibility. The eligibility requirements for the borrower and the dwelling are described below as well as the procedures to be performed. The PDS agent will certify to the performance of these procedures and evaluation of a borrower's eligibility by completing, initialing and signing the " PDS Agent's Checklist for Certain Requirements of the Mortgage Subsidy Bond Tax Code" Act of 1980" (the "checklist") (Section H, Exhibit A A (1)) prior to VHDA the authority's approval of each loan. No loan will be approved by VHDA the authority unless all of the federal eligibility requirements are met as well as the usual VHDA requirements of the authority set forth in other parts of this guide.

§ 2.2.1. Eligible borrowers.

A. General.

An applicant will In order to be considered an eligible borrower for a VHDA an authority mortgage loan, if the an applicant meets must, among other things, meet all of the following federal criteria:

The applicant:

1. Has *May* have not had a present ownership interest in his principal residence within the three years preceding the date of execution of the mortgage loan documents. (See § 2.2.1. B. Three-year requirement);
2. Agrees *Must* agree to occupy and use the residential property to be purchased as his permanent, principal residence within 60 days (90 days in the case of a rehabilitation loan as defined in § 2.17) after the date of the closing of the mortgage loan. (See § 2.2.1. C. Principal residence requirement);
3. ~~Will~~ *Must* not use the proceeds of the mortgage loan to acquire or replace an existing mortgage or debt, except in the case of certain types of temporary financing. (See § 2.2.1. D. New mortgage requirement);
4. Has *Must* have contracted to purchase an eligible dwelling. (See § 2.2.2. Eligible dwellings);
5. Has executed a borrower *Must* execute an affidavit of borrower (Exhibit E) at the time of loan application ~~(to be confirmed on the date of loan closing)~~ ; and
6. *Must* not receive income in an amount in excess of the applicable federal income limit imposed by the tax code (See § 2.5 Income requirements); and
6. Agrees *Must* agree not to sell, lease or otherwise transfer an interest in the residence or permit the assumption of his mortgage loan ~~without the prior written consent of VIDA unless certain requirements are met.~~ (See § 2.10 Loan assumptions) .

B. Three-year requirement.

An eligible borrower does not include any borrower who, at any time during the three years preceding the date of execution of the mortgage loan documents, had a "present ownership interest" (as hereinafter defined) in his principal residence. Each borrower must certify on the borrower affidavit of borrower that at no time during the three years preceding the execution of the mortgage loan documents has he has a present ownership interest in his principal residence. This requirement does not apply to residences located in "targeted areas" (see § 2.3. "Targeted areas"); however, even if the residence is located in a "targeted area," the prior tax returns described in 3. below must be obtained for the purpose of determining compliance with other requirements.

1. Definition of present ownership interest. "Present ownership interest" includes:

- a. A fee simple interest,
- b. A joint tenancy, a tenancy in common, or a tenancy by the entirety,

c. The interest of a tenant shareholder in a cooperative,

d. A life estate,

e. A land contract, under which possession and the benefits and burdens of ownership are transferred although legal title is not transferred until some later time, and

f. An interest held in trust for the eligible borrower (whether or not created by the eligible borrower) that would constitute a present ownership interest if held directly by the eligible borrower.

Interests which do not constitute a "Present ownership interest" include:

a. A remainder interest,

b. An ordinary lease with or without an option to purchase,

c. A mere expectancy to inherit an interest in a principal residence,

d. The interest that a purchaser of a residence acquires on the execution of an accepted offer to purchase real estate, and

e. An interest in other than a principal residence during the previous three years.

2. Persons covered. This requirement applies to any person who will execute the mortgage document or note and will have a present ownership interest (as defined above) in the eligible dwelling.

3. Prior tax returns. To verify that the eligible borrower meets the three-year requirement, the PDS agent must obtain copies of signed federal income tax returns filed by the eligible borrower for the three tax years *immediately* preceding execution of the mortgage documents (or certified copies of the returns) or a copy of a letter from the Internal Revenue Service stating that its Form 1040A was filed by the eligible borrower for any of the three most recent tax years for which copies of such returns are not obtained . If the eligible borrower was not required by law to file a federal income tax return for any of these three years and did not so file, and so states on the borrower affidavit, the requirement to obtain a copy of the federal income tax return or letter from the Internal Revenue Service for such year or years is waived.

The PDS agent shall examine the tax returns particularly for any evidence that the eligible borrower may have claimed deductions for property taxes or for interest on indebtedness with respect to real property constituting his principal residence.

Proposed Regulations

4. Review by PDS agent. The PDS agent must, with due diligence, verify the representations in the borrower affidavit regarding the applicant's prior residency by reviewing any information including the credit report and the tax returns furnished by the eligible borrower for consistency, and certify to ~~VHDA~~ *the authority* that on the basis of its review, it is of the opinion that each borrower has not had present ownership interest in a principal residence at any time during the three-year period prior to the anticipated date of the loan closing.

C. Principal residence requirement.

1. General. An eligible borrower must intend to occupy the eligible dwelling as a principal residence within 60 days (90 days in the case of a *purchase and rehabilitation loan*) after the closing of the mortgage loan. Unless the residence can reasonably be expected to become the principal residence of the eligible borrower within 60 days (90 days in the case of a *purchase and rehabilitation loan*) of the mortgage loan closing date, the residence will not be considered an eligible dwelling and may not be financed with a mortgage loan from ~~VHDA~~ *the authority*. An eligible borrower must covenant to intend to occupy the eligible dwelling as a principal residence within 60 days (90 days in the case of a *purchase and rehabilitation loan*) after the closing of the mortgage loan on the ~~borrower~~ *affidavit of borrower* and as part of the attachment to the deed of trust.

2. Definition of principal residence. A principal residence does not include any residence which can reasonably be expected to be used: (i) primarily in a trade or business, (ii) as an investment property, or (iii) as a recreational or second home. A residence may not be used in a manner which would permit any portion of the costs of the eligible dwelling to be deducted as a trade or business expense for federal income tax purposes or under circumstances where any portion of the total living area is to be used primarily in a trade or business.

3. Land not to be used to produce income. The land financed by the mortgage loan may not provide, other than incidentally, a source of income to the eligible borrower. The eligible borrower must indicate on the ~~borrower~~ *affidavit of borrower* that, among other things:

- a. No portion of the land financed by the mortgage loan provides a source of income (other than incidental income);
- b. He does not intend to farm any portion (other than as a garden for personal use) of the land financed by the mortgage loan; and
- c. He does not intend to subdivide the property.

4. Lot size. Only such land as is reasonably necessary to maintain the basic livability of the residence may be financed by a mortgage loan. The financed land must not exceed the customary or usual lot in the area. Generally, the financed land will not be permitted to exceed two acres even in rural areas. *However, exceptions may be made: (i) if the land is owned free and clear and is not being financed by the loan, the lot may be as large as five acres, (ii) if difficulty is encountered locating a well or septic field, the lot may exceed two acres to include the additional acreage required, and (iii) local city and county zoning ordinances which require more acreage will be taken into consideration.*

5. Review by PDS agent. The ~~borrower~~ *affidavit of borrower* must be reviewed by the PDS agent for consistency with the eligible borrower's federal income tax returns and the credit report in order to support an opinion that the eligible borrower is not engaged in any employment activity or trade or business which has been conducted in his principal residence. Also, the PDS agent shall review the appraiser report of a ~~VHDA-approved~~ *authority approved* appraiser and the required photographs to determine based on the location and the structural design and other characteristics of the dwelling that the residence is suitable for use as a permanent residence and not for use primarily in a trade or business or for recreational purposes. Based on such review, the PDS agent shall certify to its opinions in the checklist at the time the loan application is submitted to ~~VHDA~~ *the authority* for approval.

6. Post-closing procedures. The PDS agent shall establish procedures to (i) review correspondence, checks and other documents received from the borrower during the 120-day period following the loan closing for the purpose of ascertaining that the address of the residence and the address of the borrower are the same and (ii) notify ~~VHDA~~ *the authority* if such addresses are not the same. Subject to ~~VHDA's~~ *the authority's* approval, the PDS agent may establish different procedures to verify compliance with this requirement.

D. New mortgage requirement.

Mortgage loans may be made only to persons who did not have a mortgage (whether or not paid off) on the eligible dwelling at any time prior to the execution of the mortgage. Mortgage loan proceeds may not be used to acquire or replace an existing mortgage or debt for which the eligible borrower is liable or which was incurred on behalf of the eligible borrower, except in the case of construction period loans, bridge loans or similar temporary financing which has a term of 24 months or less.

1. Definition of mortgage. For purposes of applying the new mortgage requirement, a mortgage includes

deeds of trust, conditional sales contracts (i.e. generally a sales contract pursuant to which regular installments are paid and are applied to the sales price), pledges, agreements to hold title in escrow, a lease with an option to purchase which is treated as an installment sale for federal income tax purposes and any other form of owner-financing. Conditional land sale contracts shall be considered as existing loans or mortgages for purposes of this requirement.

2. Temporary financing. In the case of a mortgage loan (*having a term of 24 months or less*) made to refinance a loan for the construction of an eligible dwelling, *VHDA the authority* shall not make such mortgage loan until it has determined that such construction has been satisfactorily completed.

3. Review by PDS agent. Prior to closing the mortgage loan, the PDS agent must examine the ~~borrower~~ affidavit of borrower, the seller affidavit of seller, and related submissions, including (i) the eligible borrower's federal income tax returns for the preceding three years, and (ii) credit report, in order to determine whether the eligible borrower will meet the new mortgage requirements. Upon such review, the PDS agent shall certify to *VHDA the authority* that the agent is of the opinion that the proceeds of the mortgage loan will not be used to repay or refinance an existing mortgage debt of the borrower and that the borrower did not have a mortgage loan on the eligible dwelling prior to the date hereof, except for permissible temporary financing described above.

E. Multiple loans.

Any eligible borrower may not have more than one outstanding *VHDA the authority* mortgage loan.

§ 2.2.2. Eligible dwellings.

A. General.

In order to qualify as an eligible dwelling for which a *VHDA an authority* loan may be made, the residence must:

1. Be located in the Commonwealth;
2. Be a one-family detached residence, a townhouse or one unit of a *VHDA an authority* approved condominium; and
3. Satisfy the acquisition cost requirements set forth below.

B. Acquisition cost requirements.

1. General rule. The acquisition cost of an eligible dwelling may not exceed certain limits established by the U.S. Department of the Treasury in effect at the

time of the application. Note: In all cases for new loans such federal limits equal or exceed the *VHDA authority's* sales price limits shown in § 2.4 § 2.3. Therefore, for new loans the residence is an eligible dwelling if the acquisition cost is not greater than the *VHDA authority's* sales price limit. In the event that the acquisition cost exceeds the *VHDA authority's* sales price limit, the PDS agent must contact *VHDA the authority* to determine if the residence is an eligible dwelling.

2. Acquisition cost requirements for assumptions. To determine if the acquisition cost is at or below the federal limits for assumptions, the PDS agent must in all cases contact the authority.

2. 3. Definition of acquisition cost. Acquisition cost means the cost of acquiring the eligible dwelling from the seller as a completed residence.

a. Acquisition cost includes:

(1) All amounts paid, either in cash or in kind, by the eligible borrower (or a related party or for the benefit of the eligible borrower) to the seller (or a related party or for the benefit of the seller) as consideration for the eligible dwelling. Such amounts include amounts paid for items constituting fixtures under state law, but not for items of personal property not constituting fixtures under state law. (See Exhibit R for examples of fixtures and items of personal property.)

(2) The reasonable costs of completing or rehabilitating the residence (whether or not the cost of completing construction or rehabilitation is to be financed with the mortgage loan) if the eligible dwelling is incomplete or is to be rehabilitated. As an example of reasonable completion cost, costs of completing the eligible dwelling so as to permit occupancy under local law would be included in the acquisition cost. A residence which includes unfinished areas (i.e. an area designed or intended to be completed or refurbished and used as living space, such as the lower level of a tri-level residence or the upstairs of a Cape Cod) shall be deemed incomplete, and the costs of finishing such areas must be included in the acquisition cost. (See Acquisition Cost Worksheet, Section H Exhibit G, Item 4 and Appraiser Report, Exhibit H).

(3) Where the eligible dwelling is subject to a ground rent, the capitalized value of any ground rent calculated using a discount rate equal to the yield of the *VHDA* bonds from which the mortgage loan was made. *VHDA* will supply bond yield information to PDS agents on request for the purpose of calculating capitalized ground rent.

(4) (3) The cost of land on which the eligible dwelling is located and which has been owned by

Proposed Regulations

the eligible borrower for a period no longer than two years prior to the construction of the structure comprising the eligible dwelling.

b. Acquisition cost does not include:

(1) Usual and reasonable settlement or financing costs. Such excluded settlement costs include title and transfer costs, title insurance, survey fees and other similar costs. Such excluded financing costs include credit reference fees, legal fees, appraisal expenses, points which are paid by the eligible borrower, or other costs of financing the residence. Such amounts must not exceed the usual and reasonable costs which otherwise would be paid. Where the buyer pays more than a pro rata share of property taxes, for example, the excess is to be treated as part of the acquisition cost.

(2) The imputed value of services performed by the eligible borrower or members of his family (brothers and sisters, spouse, ancestors and lineal descendants) in constructing or completing the residence.

~~3.~~ 4. Acquisition cost worksheet (*Exhibit G*) and *Appraiser Report (Exhibit H)*. The PDS agent is required to obtain from each eligible borrower a completed acquisition cost worksheet which shall specify in detail the basis for the purchase price of the eligible dwelling, calculated in accordance with this subsection B. The PDS agent shall assist the eligible borrower in the correct completion of the worksheet. *The PDS agent must also obtain from the appraiser a completed appraiser's report which may also be relied upon in completing the acquisition cost worksheet.* The acquisition cost worksheet of the eligible borrower shall constitute part of the ~~borrower~~ affidavit of borrower required to be submitted with the loan submission. The seller affidavit of seller shall also certify as to the acquisition cost of the eligible dwelling on the worksheet.

4. 5. Review by PDS agent. The PDS agent shall for each new loan determine ~~that~~ whether the acquisition cost of the eligible dwelling does not exceed exceeds the authority's applicable sales price limit shown in § 2.4. If the acquisition cost exceeds such limit, the PDS agent must contact ~~VHDA~~ the authority to determine if the residence is an eligible dwelling for a new loan. (*For an assumption, the PDS agent must contact the authority for this determination in all cases*). As Also, as part of its review, the PDS agent must review the acquisition cost worksheet submitted by each mortgage loan applicant, and the appraiser report, and must certify to ~~VHDA~~ the authority that it is of the opinion that the acquisition cost of the eligible dwelling has been calculated in accordance with this subsection B. In addition, the PDS agent must compare the information contained in the acquisition cost worksheet with the information contained in the seller affidavit

of seller and other sources and documents such as the contract of sale for consistency of representation as to acquisition cost.

~~5.~~ 6. Independent appraisal. ~~VHDA~~ The authority reserves the right to obtain an independent appraisal in order to establish fair market value and to determine whether a dwelling is eligible for the mortgage loan requested.

~~§ 2.2.~~ § 2.2.3. Targeted areas.

A. In General.

In accordance with the Mortgage Subsidy Bond Tax Act of 1980, ~~VHDA~~ tax code, the authority will make a portion of the proceeds of an issue of its bonds available for financing eligible dwellings located in targeted areas for at least one year following the issuance of a series of bonds. ~~VHDA~~ The authority will exercise due diligence in making mortgage loans in targeted areas by advising PDS agents and certain localities of the availability of such funds in targeted areas and by advising potential eligible borrowers of the availability of such funds through advertising and/or news releases. The amount, if any, allocated to a PDS agent exclusively for targeted areas will be specified in the a forward commitment agreement between the PDS agent and the authority .

B. Eligibility.

Mortgage loans for eligible dwellings located in targeted areas must comply in all respects with the requirements in § 2.2 and elsewhere in this guide for all mortgage loans, except for the three-year requirement in § 2.2.1 B.

1. Definition of targeted areas.

a. A targeted area is an area which is a qualified census tract, as described in ~~(1)~~ b. below, or an area of chronic economic distress, as described in ~~(2)~~ c. below.

~~(1)~~ b. A qualified census tract is a census tract in the Commonwealth in which 70% or more of the families have an income of 80% or less of the state-wide median family income based on the most recent "safe harbor" statistics published by the U.S. Treasury. ~~Maps indicating the location of current qualified census tracts will be supplied to the PDS agents by VHDA.~~

~~(2)~~ c. An area of chronic economic distress is an area designated as such by the Commonwealth and approved by the Secretaries of Housing and Urban Development and the Treasury under criteria specified in the Mortgage Subsidy Bond Tax Act of 1980 tax code . PDS agents will be informed by ~~VHDA~~ the authority as to the location of areas so designated.

Proposed Regulations

§ 2.4. § 2.3. Sales price limits.

The authority's maximum allowable sales prices for new loans for which reservations are taken by the authority on or after August 10, 1987, shall be as follows:

MAXIMUM ALLOWABLE SALES PRICES

Applicable to all bond issues except 1981A (13.7%), 1982A (13.85%) and "blend" of 1982A and 1982B (11.75%)*

Applicable to All New Loans for which Reservations are Taken by the Authority on or after August 10, 1987

	New Construction	Substantial Rehabilitation	Existing
Northern Virginia portion of Washington, DC-MD- VA MSA 1/	\$120,000	\$120,000	\$110,000
Norfolk-Virginia Beach- Newport News MSA 2/	\$78,500	\$78,500	\$68,300
Richmond-Petersburg 3/	\$71,000	\$71,000	\$67,500
North Piedmont/ Roanoke MSA 4/	\$63,800	\$56,500	\$56,500
Remainder of State 4/ 5/	\$61,100	\$61,100 \$56,500	\$56,500

1/ Includes: Alexandria City, Fairfax City, Falls Church City, Manassas City, Manassas Park City, Arlington County, Fairfax County, Loudoun County, Prince William County, Stafford County.

2/ Includes: Chesapeake City, Norfolk City, Portsmouth City, Suffolk City, Virginia Beach City, Hampton City, Newport News City, Poquoson City, Williamsburg City, Gloucester County, James City County, York County.

3/ Richmond-Petersburg MSA includes: Charles City County, Chesterfield County, Colonial Heights City, Dinwiddie County, Goochland County, Hanover County, Henrico County, Hopewell City, New Kent County, Petersburg City, Powhatan County, Prince George County, Richmond City.

4/ Roanoke MSA includes: Botetourt County, Roanoke County, Roanoke City, Salem City.

North Piedmont includes: Albemarle County, Caroline

County, Charlottesville City, Culpeper County, Fauquier County, Fluvanna County, Fredericksburg City, Greene County, King George County, Louisa County, Madison County, Orange County, Rappahannock County, Spotsylvania County.

4/ 5/ Any jurisdiction not a part of the Northern Virginia portion of the Washington, DC-MD-VA MSA, the Norfolk-Virginia Beach-Newport News MSA or the North Piedmont/Richmond Petersburg MSA/ Roanoke MSA.

* NOTE: For information regarding maximum allowable sales prices of residences financed by the 1981A (13.7%), 1982A (13.85%) or "blend" of 1982A and 1982B (11.75%), please contact the VHDA Staff.

The applicable maximum allowable sales price for new construction shall be increased by the amount of any grant to be received by a mortgagor under the authority's Solar Home Grant Program in connection with the acquisition of a residence.

§ 2.6. § 2.4. Net worth.

To be eligible for VHDA authority financing, an applicant cannot have a net worth exceeding \$20,000 plus an additional \$1,000 of net worth for every \$5,000 of adjusted income over \$20,000. (The value of furniture and household goods shall not be included in determining net worth.) In addition, the portion of the applicant's liquid assets which are used to make the down payment and to pay closing costs, up to a maximum of 25% of the sale price, will not be included in the net worth calculation.

Any income producing assets needed as a source of income in order to meet the minimum income requirements for an authority loan will not be included in the applicant's net worth for the purpose of determining whether this net worth limitation has been violated.

§ 2.6. § 2.5. Income requirements.

A. Maximum income.

1. Maximum gross income (only applicable to loans for which reservations are taken by the authority on or after August 10, 1987, and for assumptions of loans for which applications are taken by the PDS agent on or after August 10, 1987). As provided in § 2.2.1.A.6, the gross family income of an applicant for an authority mortgage loan may not exceed the applicable income limitation imposed by the U.S. Department of the Treasury. Because the income limits of the authority imposed by this paragraph 1 apply to all loans to which such federal limits apply and are in all cases below such federal limits, the requirements of § 2.2.1.A.6. are met as long as the requirements of this subsection are met. The maximum annual gross family incomes for eligible borrowers shall be as follows:

Proposed Regulations

MAXIMUM ALLOWABLE GROSS INCOMES

Applicable only to loans for which reservations are taken by the Authority and to assumptions for which applications are taken by the PDS agent on or after August 10, 1987

	New Construction	Substantial Rehabilitation	Existing
Northern Virginia portion of Washington, DC-MD-VA MSA			
1/	\$49,400	\$49,400	\$46,000
Norfolk-Virginia Beach Newport News MSA			
2/	\$36,100	\$36,100	\$30,800
Richmond-Petersburg MSA			
3/	\$32,700	\$32,700	\$31,500
North Piedmont/ Roanoke MSA			
4/	\$32,700	\$32,700	\$31,500
Remainder of State			
5/	\$32,200	\$32,200	\$30,000
1/ Includes: Alexandria City, Fairfax City, Falls Church City, Manassas City, Manassas Park City, Arlington County, Fairfax County, Loudoun County, Prince William County, Stafford County.			
2/ Includes: Chesapeake City, Norfolk City, Portsmouth City, Suffolk City, Virginia Beach City, Hampton City, Newport News City, Poquoson City, Williamsburg City, Gloucester County, James City County, York County.			
3/ Richmond-Petersburg MSA includes: Charles City County, Chesterfield County, Colonial Heights City, Dinwiddie County, Goochland County, Hanover County, Henrico County, Hopewell City, New Kent County, Petersburg City, Powhatan County, Prince George County, Richmond City.			
4/ Roanoke MSA includes: Botetourt County, Roanoke County, Roanoke City, Salem City.			
North Piedmont includes: Albemarle County, Caroline County, Charlottesville City, Culpeper County, Fauquier County, Fluvanna County, Fredericksburg City, Greene County, King George County, Louisa County, Madison County, Orange County, Rappahannock County, Spotsylvania County.			
5/ Any jurisdiction not a part of the Northern Virginia portion of the Washington, DC-MD-VA MSA, the Norfolk-Virginia Beach-Newport News MSA or the North Piedmont/Richmond Petersburg MSA/Roanoke			

MSA.

2. Maximum adjusted family income. (Only applicable to loans for which reservations are taken by the authority before August 10, 1987, and to assumptions of loans for which applications are taken by the PDS agent before August 10, 1987.) Note: No federal income limits apply to these loans. The maximum adjusted family incomes for eligible borrowers shall be as follows:

MAXIMUM ALLOWABLE ADJUSTED FAMILY INCOMES

Applicable to all bond issues except 1981A (13.7%), 1982A (13.85%) and "blend" of 1982A and 1982B (11.75%)*

Applicable only to loans for which reservations are taken by the authority or to assumptions for which applications are taken by the PDS agent before August 10, 1987

	New Construction	Substantial Rehabilitation	Existing
Northern Virginia portion of Washington, DC-MD-VA MSA			
1/	\$46,600	\$46,600	\$43,200
Norfolk-Virginia Beach Newport News MSA			
2/	\$34,300	\$34,300	\$29,000
Northern Piedmont/ Richmond-Petersburg MSA /Roanoke MSA			
3/	\$29,900	\$29,900	\$28,700
Northern Piedmont/ Roanoke MSA			
4/	\$29,900	\$29,900	\$28,700
Remainder of State			
4+ 5/	\$29,400	\$29,400	\$27,200

1/ Includes: Alexandria City, Fairfax City, Falls Church City, Manassas City, Manassas Park City, Arlington County, Fairfax County, Loudoun County, Prince William County, Stafford County.

2/ Includes: Chesapeake City, Norfolk City, Portsmouth City, Suffolk City, Virginia Beach City, Hampton City, Newport News City, Poquoson City, Williamsburg City, Gloucester County, James City County, York County.

3/ Richmond-Petersburg MSA includes: Charles City County, Chesterfield County, Colonial Heights City, Dinwiddie County, Goochland County, Hanover County, Henrico County, Hopewell City, New Kent County,

Petersburg City, Powhatan County, Prince George County, Richmond City.

4/ Roanoke MSA includes: Botetourt County, Roanoke County, Roanoke City, Salem City.

North Piedmont includes: Albemarle County, Caroline County, Charlottesville City, Culpeper County, Fauquier County, Fluvanna County, Fredericksburg City, Greene County, King George County, Louisa County, Madison County, Orange County, Rappahannock County, Spotsylvania County.

4/ 5/ Any jurisdiction not a part of the Northern Virginia portion of the Washington, DC-MD-VA-MSA, the Norfolk-Virginia Beach-Newport News MSA or the North Piedmont/Richmond Petersburg MSA/ Roanoke MSA.

* NOTE: For information regarding the maximum allowable adjusted incomes of persons or families acquiring residences financed by 1981 Series A (13.7%), 1982 Series A (13.85%) and "blend" of 1982A and 1982B (11.75%), please contact the VHDA staff.

B. Minimum income (not applicable to applicants for loans to be insured or guaranteed by the Federal Housing Administration or the Veterans Administration (hereinafter referred to as "FHA or VA loans").

An applicant is eligible satisfies the minimum income requirement for VHDA authority financing if the monthly principal and interest, tax, insurance (PITI) and other additional monthly fees such as condominium assessments, townhouse assessments, etc. do not exceed 32% of monthly gross income. Also, the applicant is eligible when and if the monthly PITI plus outstanding monthly installment loans with more than six months duration do not exceed 40% of monthly gross income. (See Section II, Exhibit B) For units in condominiums, 60% of the monthly condominium assessment shall be used in the foregoing ratio calculations.

§ 2-7. § 2.6. Calculation of maximum loan amount.

Single family detached residence and townhouse (fee simple ownership) - Maximum of 95% (or, in the case of a FHA or VA loan insured or guaranteed by FHA or VA, such other percentage as may be permitted by FHA or VA) of the lesser of the sales price or appraised value, except as may otherwise be approved by the authority.

Condominiums - Maximum of 95% (or, in the case of a FHA or VA loan insured or guaranteed by FHA or VA, such other percentage as may be permitted by FHA or VA) of the sales price or appraised value, whichever is less except as may be otherwise approved by the authority

For the purpose of the above calculations, the value of personal property to be conveyed with the residence shall

be deducted from the sales price. (See Exhibit R for examples of personal property.) Also, the value of personal property included in the appraisal must be deducted from the appraised value. (See Appraiser Report, Section II, Exhibit H.)

§ 2-8. § 2.7. Mortgage insurance requirements.

Unless the loan is insured or guaranteed by an FHA or VA loan, the borrower is required to purchase at time of loan closing full private mortgage insurance (25% to 100% coverage, as the authority shall determine) on all loans which exceed 80% of the lesser of sales price or appraised value. The PDS agent is required to escrow for annual payment of mortgage insurance. If VHDA the authority requires FHA or VA insurance, the loan will either, at the election of the authority, (a) be closed in VHDA's the authority's name in accordance with the procedures and requirements herein or (b) be closed in the PDS agent's name and purchased by VHDA the authority once the FHA Certificate of Insurance or VA Guaranty has been obtained. In the event VHDA the authority purchases an FHA or VA insured loan, the PDS agent must enter into a purchase and sale agreement. (See Section II, Exhibit C.) For assumptions of conventional loans (i.e., loans other than FHA and VA loans), full private mortgage insurance as described above is required unless waived by the authority.

§ 2-8. § 2.8. Underwriting.

A. Conventional loans.

A-1. Employment and income.

B. a. Length of employment. 1- The applicant must be employed a minimum of six months with present employer. An exception to the six-month requirement can be granted by VHDA the authority if it can be determined that the type of work is similar to previous employment and previous employment was of a stable nature.

C. b. Self-employed applicants. Note: Under the tax code, the residence may not be expected to be used in trade or business. (See § 2.2.1.C Principal residence requirement.) Any self-employed applicant must have a minimum of two years of self-employment with the same company and in the same line of work. The In addition, the following information is required at the time of application:

a. (1) Federal income tax returns for the two most recent tax years.

b. (2) Balance sheets and profit and loss statements prepared by an independent public accountant.

In determining the income for a self-employed applicant, income will be averaged for the two-year period.

Proposed Regulations

D. c. Income derived from sources other than primary employment.

E. (1) Alimony and child support. ~~1-~~ A copy of the legal document and sufficient proof must be submitted to ~~VHDA~~ *the authority* verifying that alimony and child support are court ordered and are being received.

F. (2) Social security and other retirement benefits. Social Security Form No. SSA 2458 must be submitted to verify that applicant is receiving social security benefits. Retirement benefits must be verified by receipt or retirement schedules. VA disability benefits must be verified by the VA. Educational benefits and social security benefits for dependents 15 years or older are not accepted as income in qualifying an applicant for a loan.

G. (3) Part-time employment. Part-time employment must be continuous for a minimum of six months. Employment with different employers is acceptable so long as it has been uninterrupted for a minimum of six months. Part-time employment as used in this section means employment in addition to full-time employment.

Part-time employment as the primary employment will also be required to be continuous for six months.

NOTE: Under the Mortgage Subsidy Bond Tax Act of 1980, no part of the residence may be used in a trade or business.

H. (4) Overtime, commission and bonus. Overtime earnings must be guaranteed by the employer or verified for a minimum of two years. Bonus and commissions must be reasonably predictable and stable and the applicant's employer must submit evidence that they have been paid on a regular basis and can be expected to be paid in the future.

I. 2. Credit.

a. *Credit experience.* ~~VHDA~~ *The authority* requires that an applicant's previous credit experience be satisfactory. Poor credit references without an acceptable explanation will cause a loan to be rejected. Satisfactory credit references are considered to be one of the most important requirements in order to obtain a ~~VHDA~~ *an authority* loan.

b. *Bankruptcies.* An applicant will not be considered for a loan if the applicant has been adjudged bankrupt within the past two years *and has a poor credit history*. If longer than two years, the applicant must submit a written explanation giving details surrounding the bankruptcy *and poor credit history*. ~~VHDA~~ *The authority* has complete

discretion to decline a loan when a bankruptcy is involved.

K. c. *Judgments.* An applicant is required to submit a written explanation for all judgments. Judgments must be paid before an applicant will be considered for a ~~VHDA~~ *an authority* loan.

3. *Appraisals.* *The authority reserves the right to obtain an independent appraisal in order to establish the fair market value of the property and to determine whether the dwelling is eligible for the mortgage loan requested.*

B. FHA loans only.

1. *In general.* *The authority will normally accept FHA underwriting requirements and property standards for FHA loans. However, most of the authority's basic eligibility requirements including those described in §§ 2.1-2.5 hereof remain in effect due to treasury restrictions or authority policy.*

2. *Mortgage insurance premium.* *Applicant's mortgage insurance premium fee may be included in the FHA acquisition cost and may be financed, except that, in the case of a condominium, such fee may not be paid in full in advance but instead is payable in annual installments.*

3. *Closing fees.* *The FHA allowable closing fees may be included in the FHA acquisition cost and may be financed.*

4. *Appraisals.* *FHA appraisals are acceptable. VA certificates of reasonable value (CRV's) are acceptable if acceptable to FHA.*

C. VA loans only.

1. *In general.* *The authority will normally accept VA underwriting requirements and property guidelines for VA loans. However, most of the authority's basic eligibility requirements (including those described in §§ 2.1-2.5 hereof) remain in effect due to treasury restrictions or authority policy.*

2. *VA funding fee.* *1.0% funding fee can be included in loan amount provided final loan amount does not exceed the authority's maximum allowable sales price.*

3. *Appraisals.* *VA certificates of reasonable value (CRV's) are acceptable.*

~~§ 2-10.~~ § 2.9. Funds necessary to close.

A. Cash (Not applicable to FHA or VA loans) .

Funds necessary to pay the downpayment and closing costs must be deposited at the time of loan application. ~~VHDA~~ *The authority* does not permit the applicant to

Proposed Regulations

borrow funds for this purpose. If the funds are being held in an escrow account by the real estate broker, builder or closing attorney, the source of the funds must be verified. A verification of deposit from the parties other than financial institutions authorized to handle deposited funds is not acceptable.

B. Gift letters.

A gift letter is required when an applicant proposes to obtain funds from a third party. The gift letter must confirm that there is no obligation on the part of the borrower to repay the funds at any time. The party making the gift must submit proof that the funds are available. This proof should be in the form of a verification of deposit.

C. Housing expenses.

Proposed monthly housing expenses compared to current monthly housing expenses will be reviewed carefully to determine if there is a substantial increase. If there is a substantial increase, the applicant must demonstrate his ability to pay the additional expenses.

§ 2.11. § 2.10. Loan assumptions ; leasing, terms and owner occupancy.

A. Loan assumptions.

VHDA does not currently permit loan assumptions, except that loan assumptions shall be permitted with respect to mortgage loans financed from the proceeds of the authority's single-family bonds issued on or after December 17, 1981, (loans numbered 40,000 and on) if the requirements set forth in § 2.2.1 B and C and § 2.2.2. B herein are satisfied and if the assumption satisfies the VHDA underwriting criteria set forth herein or, in the case of a loan insured or guaranteed by FHA or VA, such criteria herein as FHA or VA permits to be applied. Such policy of permitting loan assumptions is subject to change at any time without notice by the authority in its discretion.

A. Requirements for assumptions.

VHDA currently permits assumptions of all of its single family mortgage loans as long as certain requirements are met. The requirements for each of the four different categories of mortgage loans listed below are as follows:

1. Assumptions of conventional loans.

a. For assumptions of conventional loans financed by the proceeds of bonds issued on or after December 17, 1981, the requirements of the following sections hereof must be met:

- (1) § 2.5 (Income requirement)
- (2) § 2.2.1.C (Principal residence requirement)

(3) § 2.8 (Authority underwriting requirements)

(4) § 2.2.1.B (Three year requirement)

(5) § 2.2.2.B (Acquisition cost requirement)

(6) § 2.7 (Mortgage insurance requirement).

b. For assumptions of conventional loans financed by the proceeds of bonds issued prior to December 17, 1981, the requirements of the following sections hereof must be met:

(1) § 2.5 (Income requirements)

(2) § 2.2.1.C (Principal residence requirements)

(3) § 2.8 (Authority underwriting requirements)

(4) § 2.7 (Mortgage insurance requirements).

2. Assumptions of FHA or VA loans.

a. For assumptions of FHA or VA loans financed by the proceeds of bonds issued on or after December 17, 1981 the following conditions must be met:

(1) § 2.5.A (Maximum income requirement)

(2) § 2.2.1.C (Principal residence requirement)

(3) § 2.2.1.B (Three year requirement)

(4) § 2.2.2.B (Acquisition cost requirements).

In addition, all applicable FHA or VA underwriting requirements, if any, must be met.

b. For assumptions of FHA or VA loans financed by the proceeds of bonds issued prior to December 17, 1981, only the applicable FHA or VA underwriting requirements, if any, must be met.

B. Requirement that the authority be contacted.

The PDS agent must in each case of a request for assumption of a mortgage loan contact the authority in order to determine which category of loans described in subsection A above applies to the loan and whether or not the requirements of the applicable category are satisfied. (For example, in cases of assumptions, the PDS agent may not rely - as it may for new loans - on the fact that the acquisition cost of the dwelling is less than the authority's sales price limits to satisfy the acquisition cost requirement. It is therefore essential that the authority be contacted in each case.)

C. Application package for assumptions.

Once the PDS agent has contacted the authority and is has been determined which of the four categories

Proposed Regulations

described in subsection A above applies to the loan, the PDS agent must submit to the authority the information and documents listed below for the applicable category:

I. Assumption package for conventional loans:

a. Conventional loans financed by the proceeds of bonds issued on or after December 17, 1981:

- (1) Affidavit of borrower (Exhibit E).
- (2) Affidavit of seller (Exhibit F).
- (3) Acquisition cost worksheet (Exhibit G).
- (4) Appraisers report.
- (5) Three year's tax returns.
- (6) PDS agent's checklist.
- (7) 4506 form (Exhibit 0).
- (8) PDS agent's loan submission cover letter.
- (9) VHDA completed application.
- (10) Verification of employment (VOE's) (and other income related information).
- (11) Verification of deposit (VOD's).
- (12) Credit report.
- (13) Sales contract.
- (14) Truth-in-lending and estimate of charges.
- (15) Equal credit opportunity act (ECOA) notice.
- (16) Authority underwriting qualification sheet.

b. Conventional loans financed by the proceeds of bonds issued prior to December 17, 1981:

- (1) VHDA completed application.
- (2) Verification of employment (VOE's) (and other income related information).
- (3) Verification of deposit (VOD's).
- (4) Credit report.
- (5) Sales contract.
- (6) Truth-in-lending and estimate of charges.
- (7) Equal credit opportunity act (ECOA) notice.
- (8) Authority underwriting qualification sheet.

2. Assumption package for FHA or VA loans.

a. FHA or VA loans financed by the proceeds of bonds issued on or after December 17, 1981:

- (1) Affidavit of borrower.
- (2) Affidavit of seller.
- (3) Acquisition cost worksheet.
- (4) Appraisers Report.
- (5) Three year's tax returns.
- (6) PDS agent's checklist.
- (7) 4506 form (Exhibit 0).
- (8) PDS agent's loan submission cover letter.
- (9) Authority completed application.
- (10) In addition, all applicable requirements, if any, of FHA or VA must also be met.

b. FHA or VA loans financed by the proceeds of bonds issued prior to December 17, 1981: Only the applicable requirements, if any, of FHA or VA must be met.

D. Review by the authority.

Upon receipt of an application package for assumption, the authority will determine whether or not the applicable requirements for assumption of the loan have been met and will advise the PDS agent of such determination in writing.

§ 2.11. Leasing, loan term, and owner occupancy.

B. A. Leasing.

The owner may not lease the property without VHDA's prior written consent first contacting the authority .

C. B. Loan term.

Loan terms may not exceed 30 years.

D. C. Owner occupancy.

No loan will be made unless the residence is to be occupied by the owner as the owner's principal residence.

§ 2.12. Reservations/fees.

A. Making a reservation.

The authority currently reserves funds for each mortgage loan on a first come, first served basis. In order

to make a reservation of funds for a loan, the PDS agent shall:

1. First make a determination based on the information then made available to it by the applicant or otherwise that neither the applicant nor the property appears to violate any of the authority's eligibility requirements for a new loan.
2. Collect a \$100 nonrefundable reservation fee (or such other amount as the authority may require).
3. Determine what type of mortgage insurance will be required; specifically, whether the loan will be a conventional loan, an FHA loan or a VA loan.
4. Complete a reservation card (Exhibit C).
5. Call the authority (after completing the four preceding requirements) between 9 a.m. and 5 p.m. Monday through Friday for the assignment of a reservation number for the loan, an interest rate for the reserved funds and an expiration date for the reservation, all of which will be assigned after the PDS agent gives to the authority the following information:
 - a. Name of primary applicant
 - b. Social security number of applicant
 - c. Estimated loan amount
 - d. PDS agent's servicer number
 - e. Gross family income of applicant and family, if any
 - f. Location of property (city or county)
 - g. Verification of receipt of the reservation fee
 - h. Type of mortgage insurance to be used (if conventional, the authority will assign the loan a suffix "C;" if FHA, the suffix will be "F;" and, if VA, it will be "V").
6. Complete the reservation card by filling in the reservation number, interest rate, expiration date and by executing it (only an authorized representative of the PDS agent may sign the reservation card).
7. Submit the complete application package to the authority (see § 2.13) along with evidence of receipt of the reservation fee within 60 days after the authority assigns the reservation number to the loan (i.e., takes the reservation). Funds will not be reserved longer than 60 days unless the PDS agent requests and receives an additional one-time extension prior to the 60-day deadline.

C. More than one reservation.

An applicant may request a second reservation if the first has expired, but in no case may the interest rate be reduced without the authority's prior approval. In addition, a second reservation fee must be collected for a second reservation.

D. The reservation fee.

Under no circumstances is this fee refundable. If the loan closes, it will be retained by the PDS agent as part of its 1.0% origination fee. If the loan does not close, regardless of the reason, it is to be immediately submitted to the authority (see subsection E for other fees). No substitutions of applicants or properties are permitted.

E. Other fee.

1. **Commitment fee.** The PDS agent must collect at the time of the issuance of a commitment by the authority an amount equal to 1.0% of the loan amount less the amount of the reservation fee already collected (such that the total amount received by the PDS agent at that point equals 1.0% of the loan amount). If the loan closes, the PDS agent retains the full 1.0% as its original fee. If the loan does not close the origination fee (which includes the reservation fee) must be submitted to the authority when the failure to close is due to the fault of the applicant. On the other hand, if the failure to close is not due to the fault of the applicant, then everything collected except for the reservation fee may at the option of the authority be refunded to the applicant. (The reservation fee, as required in subsection D above is always submitted to the authority when a loan fails to close.)

2. **Discount point.** The PDS agent must collect at the time of closing an amount equal to 1.0% of the loan amount from the seller. This fee is retained by the PDS agent.

~~§ 2.12.~~ § 2.13. Preparation of application package for new loans .

A. Conventional loans.

The application package submitted to VHDA the authority for approval of a conventional loan must contain the following:

1. Reservation card.
2. Application - the application must be made on Virginia Housing's the authority's approved application form. (Exhibit D)
3. Preliminary underwriting form. (Exhibit B)
4. Credit report issued by local credit bureau and

Proposed Regulations

miscellaneous information as applicable - explanation of bankruptcies, etc., (and any additional documentation).

5. Verification of employment (and any additional documentation).

6. Verification of other income.

7. Verification of deposits (and any additional documentation).

8. Gift letters (and verification).

9. Sales contract - contract must be signed by seller and all parties entering into the contract and state which parties are paying points and closing costs.

10. Appraisal (FHLMC No. 70) - ~~form~~ should be ~~FNMA~~ the Federal National Mortgage Association ("FNMA") or ~~FHLMC~~ Federal Home Loan Mortgage Corporation ("FHLMC") and should be completed by an appraiser who has been approved by FHLMC or a private mortgage insurer acceptable to Virginia Housing the authority or who has a certification from a trade organization approved by Virginia Housing the authority (photos and required supporting documentation).

11. Loan submission cover letter. (Exhibit O)

12. Appraiser's report. (Exhibit H)

13. Acquisition cost worksheet. (Exhibit G)

14. Affidavit of seller. (Exhibit F)

15. Affidavit of borrower. (Exhibit E)

16. Federal income tax returns - copy of borrower's federal income tax returns to the extent required by Item 10 6 in the affidavit of borrower and § 2.2.1 B3 hereof . (NOTE: If a letter from the IRS Internal Revenue Service is to be delivered pursuant to paragraphs § 2.2.1 B3 of the Processing, Disbursing Guide hereof , such letter must be enclosed herewith instead).

17. PDS agent's checklist for certain requirements of the Mortgage Subsidy Bond Tax Act of 1980 tax code . (Exhibit A(1))

18. Signed request for copy of tax returns (~~No. 4506~~) . (Exhibit Q)

19. HUD U.S. Department of Housing and Urban Development ("HUD") information booklet - acknowledgement by applicant of receipt of HUD information booklet and estimate of the charges the borrower is likely to incur as required by the Real Estate Settlement Procedures Act of 1974, as amended

the Real Estate Settlement Procedures Act Amendments of 1975 (RESPA), as amended, and Regulations Z (Truth-in-Lending), as amended April 1, 1981 . Acknowledgement can be made part of the application or can be a separate statement. Applicant must receive HUD information book the day application is made.

20. ECOA Equal Credit Opportunity Act ("ECOA") notice statement to borrower of provisions of the Equal Credit Opportunity Act ECOA , with borrower's acknowledgement of receipt. (Exhibit I)

21. Truth-in-lending disclosure. (Exhibit K)

B. FHA loans.

The application package submitted to the authority for approval of an FHA loan must contain the following items:

1. Reservation card.

2. Application - must be on the authority's form and can be handwritten if legible.

3. Copy the HUD application (FHA form 92900).

4. Copy of the Mortgage Credit Analysis Worksheet (HUD form 92900-ws).

5. Copy of the credit report.

6. Copy of verification of employment.

7. Copy of verification of other income.

8. Copy of verification of deposits.

9. Copy of gift letters (and verification).

10. Copy of sales contract.

11. Assignment letter - this must reference the case number, name of applicant.

12. Copy of appraisal - this must be on a form acceptable to FHA and must contain all supporting documentation necessary for valuation.

13. VHDA document No. 13 - "FHA NOTICE TO BUYERS."

14. Loan submission cover letter. (Exhibit O)

15. Appraiser's report. (Exhibit H)

16. Acquisition cost worksheet. (Exhibit G)

17. Affidavit of seller. (Exhibit F)

18. Affidavit of borrower. (Exhibit E)

Proposed Regulations

19. Federal income tax returns - copy of borrower's federal income tax returns to the extent required by Item 6 in the affidavit of borrower and § 2.2.1 B3 hereof.

(NOTE: If a letter from the Internal Revenue Service is to be delivered pursuant to paragraphs § 2.2.1 B3 hereof, such letter must be enclosed instead).

20. PDS clerk's checklist for certain requirements of the tax code. (Exhibit A(1))

21. Signed request for copy of tax returns (Exhibit Q)

22. U.S. Department of Housing and Urban Development ("HUD") information booklet - acknowledgement by applicant of receipt of HUD information booklet and estimate of the charges the borrower is likely to incur as required by the Real Estate Settlement Procedures Act of 1974, as amended, the Real Estate Settlement Procedures Act Amendments of 1975 (RESPA), as amended, and Regulation Z (Truth-In-Lending), as amended. Acknowledgement can be made part of the application or can be a separate statement. Applicant must receive HUD information book the day application is made.

23. Equal Credit Opportunity Act ("ECOA") notice statement to borrower of provisions of ECOA, with borrower's acknowledgement of receipt. (Exhibit I)

24. Truth-in-lending disclosure. (Exhibit K)

C. VA loans.

The application package submitted to the authority for approval of a VA loan must contain the following items:

1. Reservation card.
2. Application - must be on the authority's form and can be handwritten if legible.
3. Copy the VA application (VA form 26-1802A).
4. Copy of the Loan Analysis Worksheet. (VA form 6393).
5. Copy of the credit report.
6. Copy of verification of employment.
7. Copy of verification of other income.
8. Copy of verification of deposits.
9. Copy of gift letters (and verification).
10. Copy of sales contract.

11. Copy of appraisal - this must be on a form acceptable to VA and must contain all supporting documentation necessary for valuation.

12. Loan submission cover letter. (Exhibit O)

13. Appraiser's report. (Exhibit H)

14. Acquisition cost worksheet. (Exhibit G)

15. Affidavit of seller. (Exhibit F)

16. Affidavit of borrower. (Exhibit E)

17. Federal income tax returns - copy of borrower's federal income tax returns to the extent required by Item 6 in the affidavit of borrower and § 2.2.1 B3 hereof.

(NOTE: If a letter from the Internal Revenue Service is to be delivered pursuant to paragraphs § 2.2.1 B3 hereof, such letter must be enclosed instead).

18. PDS agent's checklist for certain requirements of the tax code. (Exhibit A(1))

19. Signed request for copy of tax returns (Exhibit Q)

20. U.S. Department of Housing and Urban Development ("HUD") information booklet - acknowledgement by applicant of receipt of HUD information booklet and estimate of the charges the borrower is likely to incur as required by the Real Estate Settlement Procedures Act of 1974, as amended, the Real Estate Settlement Procedures Act Amendments of 1975 (RESPA), as amended, and Regulation Z (Truth-In-Lending), as amended. Acknowledgement can be made part of the application or can be a separate statement. Applicant must receive HUD information book the day application is made.

21. Equal Credit Opportunity Act ("ECOA") notice statement to borrower of provisions of ECOA, with borrower's acknowledgement of receipt. (Exhibit I)

22. Truth-in-lending disclosure. (Exhibit K)

D. Delivery of package to authority.

After the application package has been completed, it should be forwarded to:

Single Family Originations Division
Virginia Housing Development Authority
13 South 13th Street
Richmond, VA. 23219

§ 2.13. § 2.14. Commitment. (Exhibit J)

A. In general.

Proposed Regulations

Upon approval of the applicant, ~~VHDA~~ the authority will send a mortgage loan commitment (see Section H, Exhibit J) to the borrower in care of the PDS agent. Also enclosed in this package will be other documents necessary for closing. The PDS agent shall ask the borrower to indicate his acceptance of the mortgage loan commitment by signing and returning it to the PDS agent. A commitment must be issued in writing by an authorized officer of ~~VHDA~~ the authority and signed by the applicant before a loan may be closed. The term of a commitment may be extended in certain cases upon written request by the applicant and approved by the authority. Generally, no more than one commitment will be issued to an applicant in any calendar year. However, if an applicant who received a commitment fails to close the mortgage loan transaction through no fault of his own, that borrower may be considered for one additional commitment upon proper reapplication to the authority within the one year period from the cancellation or expiration of the original commitment; provided, however, that the interest rate offered in the additional commitment, if issued, may be higher than the rate offered in the original commitment. Such new rate and the availability of funds therefor shall in all cases be determined by the authority in its discretion.

§ 2.13.1. B. Loan rejection.

If the borrower application fails to meet ~~VHDA~~ underwriting any of the standards, criteria or if the property fails to meet ~~VHDA~~ property standards and requirements herein, a loan rejection letter will be issued by ~~VHDA~~ the authority (see Section H, Exhibit L). In order to have the application reconsidered, the applicant must resubmit the application within 30 days after loan rejection. If the application is so resubmitted, the credit documentation cannot be more than 90 days old and the appraisal not more than six months old.

§ 2.14. § 2.15. Loan settlement.

A. Loan closing.

1. In general. Upon the borrower's acceptance of the mortgage loan commitment, the PDS agent will send ~~VHDA's~~ the authority's letter of and closing instructions (see Section H, Exhibit Exhibits M and N) and the closing papers to the closing attorney. The PDS agent should thoroughly familiarize himself with the closing instructions and should fill in all blanks such as per diem interest, appraisal fee, credit report charges to be collected at closing, and any special requirements of the commitment before the closing instructions are forwarded to the closing attorney. ~~VHDA~~ The authority will provide the PDS agent with the documents which the closing attorney is required to complete. After ~~VHDA~~ the authority reviews the closing attorney's preliminary work and approves closing and has been advised by the PDS agent in the case of an FHA or VA loan that all applicable FHA or VA requirements have been met, it will approve

closing and, a loan proceeds check will be sent to the the closing attorney or firm named in the commitment or binder as approved under the issuing company's insured closing service, along with additional closing instructions (see Section H, Exhibit M). Closing attorneys The closing attorney may use disburse loan proceeds checks when in a position to conduct only after he has conducted the loan closing and recorded all necessary documents, including the deed of trust securing repayment of the loan to the authority and in all other respects is in a position to disburse proceeds in accordance with Virginia Housing's the authority's letter authorizing the closing, the commitment and the instructions previously issued by the PDS agent. It is the PDS agent's responsibility to see that all documents and checks are received immediately after loan closings and that they are completed in accordance with Virginia Housing's the authority's requirements, Regulation Z and ECOA.

2. Special note regarding check for buy-down points. A certified or cashier's check made payable to the authority is to be provided at loan closing for the buy-down points, if any. The check is to be payable to ~~VHDA~~. Under the applicable federal regulations the tax code, the original proceeds of the a bond issue may not exceed the amount necessary for the "governmental purpose" thereof by more than 5.0%. Payment of If buy-down points are paid out of mortgage loan proceeds would be using (which are financed by bonds), then this federal regulation is violated because bond proceeds have in effect been used to pay interest rather than for the proper "governmental purpose" of making mortgage loans. Therefore, it is required that buy-down fees be paid from the seller's own funds. Buy-down points may and not be deducted from loan proceeds. Because of this requirement, buy-down fees may not appear as a deduction from the seller's proceeds on the HUD-1 Settlement Statement.

B. Post-closing requirements.

In accordance with § 9 of the PDS agreement, All post-closing documents, including the post-closing cover letter (see Section H, Exhibit P), should be forwarded as follows to:

Single Family Servicing Division
Post-Closing Section
Virginia Housing Development Authority
13 South 13th Street
Richmond, VA. 23219

Within five days after the closing of the loan, the PDS agent must forward the fees, interest and any other money due ~~VHDA~~ the authority, a repayment of ~~VHDA's~~ the authority's outstanding construction loan, if any, PMI private mortgage insurance affidavit and all closing documents except the original recorded deed of trust and title insurance policy and hazard insurance policy.

Proposed Regulations

Within 45 days after loan closing, the PDS agent shall forward to ~~VHDA~~ the authority the original recorded deed of trust and final mortgage title insurance policy. Within 55 days after loan closing the PDS agent shall forward to the authority the original hazard insurance policy.

During the 120-day period following the loan closing the PDS agent shall review correspondence, checks and other documents received from the borrower for the purpose of ascertaining that the address of the property and the address of the borrower are the same, and also to ascertain any change of address during such period and shall notify ~~VHDA~~ the authority if such addresses are not the same or if there is any such change of address. Subject to ~~VHDA's~~ the authority's approval, the PDS agent may establish different procedures to verify compliance with the principal residence requirement in § 2.2.1.C. In the event the agent at any time otherwise becomes aware of the fact that any item noted on the PDS agent's checklist for certain requirements of the Mortgage Subsidy Bond Tax Act tax code may not be correct or proper, the PDS agent shall immediately notify the authority.

§ 2.15. § 2.16. Property guidelines - existing housing .

Existing houses to be financed by loans insured or guaranteed by FHA or VA must meet any and all applicable requirements imposed by FHA or VA.

All other existing houses must meet the following minimum requirements; however, each house will be reviewed on a case-by-case basis with regard to marketability and security of the loan:

1. 100 amp electrical service is required.
2. No space heaters or circulators are allowed; however, a floor furnace or wall furnace is acceptable in a one-story house if such a furnace adequately heats the house.
3. Pier foundations are considered on a case-by-case basis.
4. All property must be located on a state-maintained road with a minimum frontage of 30 feet. No easements or right-of-ways are allowed as access to properties. House should not be located more than 200 feet from the state-maintained road.
5. Joint ownership of well and septic is not allowed and the well must be on the subject property.
6. Any easements which will adversely affect the marketability of the property, such as high-tension power lines, drainage or other utility easements will be considered on a case-by-case basis.
7. The floor plan must be acceptable with bathrooms and bedrooms centrally located and providing maximum privacy. Primary bathroom locations are not

acceptable if the traffic patterns require entrance through another living area (e.g. a bathroom which opens directly into the kitchen).

8. The house must have a sufficient number of bedrooms to properly serve the borrower. Only bedrooms will be used as sleeping quarters, with each bedroom to be occupied by no more than two persons.

9. Mobile homes are not acceptable.

§ 2.16. Property guidelines - New construction.

New homes to be financed by loans insured or guaranteed by FHA or VA must meet any and all applicable requirements imposed by FHA or VA.

A. All other new homes must meet the Uniform Statewide Building Code (the "Code") and the Department of Housing and Urban Development Minimum Property Standards (MPS) in addition to the following VHDA underwriting requirements:

1. Minimum of 4/12 pitch roof.
2. Storm windows or double glazed windows are required.
3. Insulated exterior doors or storm doors are required.
4. All property must be located on state-maintained roads.
5. Energy package in conformance with FHMA energy standards.
6. Mobile homes are not acceptable.

B. Also, the following standards are preferred:

1. All ceilings and 75% of the walls be 1/2 inch drywall or plaster.
2. Kitchen cabinets should comply with the following: doors should be a minimum of 5/8 inch and end panels should be a minimum of 1/2 inch thick. Materials should be wood or plywood. All stiles and rails should be of wood. Drawer fronts should be a minimum of 5/8 inch and sides should be a minimum of 3/8 inch wood or plywood; bottoms should be 1/4 inch plywood. Shelves should be a minimum of 5/8 inch wood, plywood or particle board. Plywood and particle board shelves should have edging.
3. Ceiling height of eight feet or greater.
4. Pier foundations are discouraged except where brick or block curtain wall completely covers piers.
5. Insulated sheathing.

Proposed Regulations

6. If vertical siding is used, fir, cedar or redwood is preferred.

7. Fiberglass insulation in ceiling, floor and wall.

8. The use of wood foundations is discouraged unless the type of construction results in substantial savings to be passed on to the buyer.

9. Hardwood floors unless a 30 ounce carpet is used.

A. In general.

For each application the authority must make the determination that the property will constitute adequate security for the loan. The determination shall in turn be based solely upon a real estate appraisal's determination of the value and condition of the property.

In addition, manufactured housing may be financed only if it is new construction and insured 100% by FHA (see subsection C).

B. Conventional loans.

1. Existing housing and new construction. The following requirements apply to both new construction and existing housing to be financed by a conventional loan: (i) all property must be located on a state maintained road (easements or right-of-way to state maintained roads are not acceptable as access to properties); (ii) any easements which will adversely affect the marketability of the property, such as high-tension power lines, drainage or other utility easements will be considered on a case-by-case basis to determine whether such easements will be acceptable to the authority; and (iii) joint ownership of well and septic will be considered on a case-by-case basis to determine whether such ownership is acceptable by the authority.

2. Additional requirements for new construction. New construction financed by a conventional loan must also meet Uniform Statewide Building Code and local code.

C. FHA or VA loans.

1. Existing housing and new construction. Both new construction and existing housing financed by an FHA or VA loan must meet all applicable requirements imposed by FHA or VA.

2. Additional requirements for new construction. If such homes being financed by FHA or VA loans are new manufactured housing they must meet federal manufactured home construction and safety standards, satisfy all FHA insurance requirements, be on a permanent foundation to be enclosed by a perimeter masonry curtain wall conforming to standards of the Uniform Statewide Building Code, be permanently affixed to the site owned by the borrowers and be

insured 100% by FHA under its section 203B program. In addition, the property must be classified and taxed as real estate and no personal property may be financed.

§ 2.17. Substantially rehabilitated.

A. For the purpose of qualifying as substantially rehabilitated housing under Virginia Housing's the authority's maximum sales price limitations, the housing unit must meet the following definitions:

1. Substantially rehabilitated means improved to a condition which meets VHDA the authority's underwriting/property standard requirements from a condition requiring more than routine or minor repairs or improvements to meet such requirements. The term includes repairs or improvements varying in degree from gutting and extensive reconstruction to cosmetic improvements which are coupled with the cure of a substantial accumulation of deferred maintenance, but does not mean cosmetic improvements alone.

2. For these purposes a substantially rehabilitated housing unit means a dwelling unit which has been substantially rehabilitated and which is being offered for sale and occupancy for the first time since such rehabilitation. The value of the rehabilitation must equal at least 25% of the total value of the rehabilitated housing unit.

3. The appraisal submitted with the loan application, must list the improvements and estimate the value of the improvements. Virginia Housing's The authority's staff will inspect each house submitted as substantially rehabilitated to ensure compliance with our underwriting-property standards.

4. VHDA The authority will only approve rehabilitation loans to eligible borrowers who will be the first resident of the residence after the completion of the rehabilitation. As a result of the Mortgage Subsidy Bond Tax Act of 1980 tax code, the proceeds of VHDA the mortgage loan cannot be used to refinance an existing mortgage, as explained in § 2.2.1.D (New mortgage requirement). VHDA The authority will approve loans to cover the purchase of a residence, including the rehabilitation:

a. Where the eligible borrower is acquiring a residence from a builder or other seller who has performed a substantial rehabilitation of the residence; and

b. Where the eligible borrower is acquiring an unrehabilitated residence from the seller and the eligible borrower contracts with others to perform a substantial rehabilitation or performs the rehabilitation work himself prior to occupancy.

§ 2.18. Condominium requirements.

Proposed Regulations

A. Policy on condominiums Conventional loans .

1. The PDS agent must provide evidence that the condominium is approved by any two of the following: FNMA, FHLMC or VA. The PDS agent must submit evidence at the time the borrower's application is submitted to Virginia Housing the authority for approval.

2. At the time the borrower's loan application is submitted for the financing of a unit in any condominium in which Virginia Housing the authority has not previously financed the purchase of any units, Exhibit U S providing basic information about the condominium must be completed by the Unit Owners Association. The most recent financial statement and operating budget of the condominium (or, in the case of a newly constructed or converted condominium, a copy of the projected operating budget and a copy of the most recent financial statement, if any) must also be submitted. Virginia Housing The authority will review the above described form and financial information. If on the basis of such review Virginia Housing the authority finds the condominium to be acceptable, the condominium will be approved and the individual loan application will be processed. Exhibit U S requires that the Unit Owners Association agree to submit to Virginia Housing the authority upon its request, the condominium's annual financial statements, operating budget and other information as Virginia Housing the authority may require. The association is also required to agree that Virginia Housing the authority shall have a right to inspect the condominium and its records. The form states that failure to comply with the foregoing shall be grounds for Virginia Housing's the authority's termination of its approval of the condominium.

3. Each year Virginia Housing the authority will send Exhibit V T to the Unit Owners Association requesting information concerning the condominium including a statement as to the status of the approvals of VA, FNMA and/or and FHLMC approvals , as applicable, and a copy of the condominium's financial statement and operating budget. The association will be advised that if the request for information is not received within 90 days from the date of the request, Virginia Housing the authority may terminate its approval of the condominium. Virginia Housing The authority will review the financial statement and operating budget and the questionnaire and if the condominium remains in satisfactory condition, Virginia Housing the authority will continue to make mortgage loans on the units subject to the limitations in paragraph 4 below. In the event Virginia Housing the authority determines a condominium is not in satisfactory condition, the Unit Owners Association will be given 60 days to correct the deficiencies. If the deficiencies are not corrected to the satisfaction of Virginia Housing the authority , the condominium will no longer be approved for financing. The requirements and procedures in this

section will also apply to condominiums previously approved by Virginia Housing the authority .

4. If a condominium is approved by FNMA, Virginia Housing the authority will make mortgage loans on no more than 50% of the units in the condominium. If the condominium is not approved by FNMA, Virginia Housing the authority will make mortgage loans on no more than 25% of the units in the condominium. If a condominium is to be phased, the foregoing percentage limits will be applied to each phase until all phases are completed. If the condominium has been previously approved by Virginia Housing the authority and exceeds the foregoing percentage limitations, Virginia Housing the authority will make no further mortgage loans for the purchase of the units in the condominium until such time as its percentage limits are no longer violated.

B. FHA or VA loans. The authority will accept a loan to finance a condominium if the condominium is approved by FHA, in the case of an FHA loan, or by VA, in the case of a VA loan.

The effective date of the foregoing amendments shall be ~~October 21, 1986~~ August 10, 1987 .

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

Title of Regulation: Standards for Coverage of Organ Transplant Services: State Plan for Medical Assistance.

Statutory Authority: § 32.1-325 of the Code of Virginia.

Written Comments may be submitted until September 4, 1987 at 5 p.m.

(See Calendar of Events section
for additional information)

Summary:

The current State Plan does not specifically delineate what transplant services will be considered for coverage and reimbursement. Transplants for corneas and kidneys and liver transplants for recipients under age 18 for extrahepatic biliary atresia are proposed to be covered.

The purpose of this amendment is to adopt language already approved by the board on November 18, 1986, as well as to adopt the HCFA standards required to satisfy the federal law.

Standards for Coverage of Organ Transplant Services: State Plan for Medical Assistance.

VR 460-01-0027.0000.

§ 3.1. (f) (1) Optometric services.

Proposed Regulations

A. Optometric services (other than those provided under §§ 435.531 are not now but were previously provided under the plan. Services of the type an optometrist is legally authorized to perform are specifically included in the term "physicians' services" under this plan and are reimbursed whether furnished by a physician or an optometrist.

Yes.

No. The conditions described in the first sentence apply but the term "physicians' services" does not specifically include services of the type an optometrist is legally authorized to perform.

Not applicable. The conditions in the first sentence do not apply.

Citation: 42 CFR 441.30; AT-78-90.

§ 3.1. (f)(2) Organ transplant procedures.

A. Organ transplant procedures are provided.

No.

Yes. *Similarly situated individuals are treated alike and restriction on the facilities that may, or practitioners who may, provide those procedures is consistent with the accessibility of high quality care to individuals eligible for the procedures under this plan. Standards for the coverage of organ transplant procedures are described at ATTACHMENT 3.1 E.*

Citation: 1903 (i)(1) of the Act, P.L. 99-272 (§ 9507).

VR 460-03-3.1110.

Inpatient Hospital Services (1.)

6. Coverage of inpatient hospitalization will be limited to a total of 21 days for all admissions within a fixed period, which would begin with the first day inpatient hospital services are furnished to an eligible recipient and end 60 days from the day of the first admission. There may be multiple admissions during this 60-day period; however, when total days exceed 21, all subsequent claims will be reviewed. Claims which exceed 21 days within 60 days with a different diagnosis and medical justification will be paid. Any claim which has the same or similar diagnosis will be denied.

EXCEPTION: SPECIAL PROVISIONS FOR ELIGIBLE INDIVIDUALS UNDER 21 YEARS OF AGE: Consistent with 42 CRF 441.57, payment of medical assistance services shall be made on behalf of individuals under 21 years of age, who are Medicaid eligible, for medically necessary stays in acute care facilities in excess of 21 days per admission when such services are rendered for the purpose of diagnosis and

treatment of health conditions identified through a physical examination.

7. Reimbursement will not be provided for inpatient hospitalization for any selected elective surgical procedures that require a second surgical opinion unless a properly executed second surgical opinion form has been obtained from the physician and submitted with the hospital invoice for payment, or is a justified emergency or exemption. The requirements for second surgical opinion do not apply to recipients in the retroactive eligibility period.

8. Reimbursement will not be provided for inpatient hospitalization for those surgical and diagnostic procedures listed on the mandatory outpatient surgery list unless the inpatient stay is medically justified or meets one of the exceptions. The requirements for mandatory outpatient surgery do not apply to recipients in the retroactive eligibility period.

9. *For the purposes of organ transplantation, all similarly situated individuals will be treated alike. Coverage of transplant services for all eligible persons is limited to transplants for kidneys and cornea and liver transplants for those recipients under age 18, for extra hepatic biliary atresia. These services, excluding corneas, require preauthorization and the patient must be considered acceptable for coverage. The treating facility and transplant staff must be recognized as being capable of providing high quality care in the performance of the requested transplant. Reimbursement for covered transplant services is negotiable with the providers on an individual case basis. Standards for preauthorization and coverage of organ transplant services are in Attachment 3.1 E.*

VR 460-03-3.1111.

8. Psychological testing and psychotherapy by clinical psychologists licensed by the State Board of Medicine are covered.

9. Reimbursement will not be provided for physician services for those selected elective surgical procedures requiring a second surgical opinion unless a properly executed second surgical opinion form has been submitted with the invoice for payment, or is a justified emergency or exemption. The requirements of second surgical opinion do not apply to recipients in the retroactive eligibility period.

10. Reimbursement will not be provided for physician services performed in the inpatient setting for those surgical or diagnostic procedures listed on the mandatory outpatient surgery list unless medically justified or meets one of the exceptions. The requirements of mandatory outpatient surgery do not apply to recipients in the retroactive eligibility period.

11. *For the purposes of organ transplantation, all*

similarly situated individuals will be treated alike. Coverage of transplant services for all eligible persons is limited to transplants for kidneys and cornea and liver transplants for those recipients under age 18, for extra hepatic biliary atresia. These services, excluding corneas, require preauthorization and the patient must be considered acceptable for coverage. The treating facility and transplant staff must be recognized as being capable of providing high quality care in the performance of the requested transplant. Reimbursement for covered transplant services is negotiable with the providers on an individual case basis. Standards for preauthorization and coverage of organ transplant services are in Attachment 3.1 E.

Podiatrists' Services (6.a)

Covered services are defined as reasonable and necessary diagnostic, medical, surgical treatment of disease, injury, or defects of the human foot. These services must be within the scope of the license of the podiatrists' profession and defined by state law.

The following services are not covered: preventive health care, including routine foot care; treatment of structural misalignment not requiring surgery; cutting or removal of corns, warts, or calluses; experimental procedures; acupuncture.

The state agency may place appropriate limits on a service based on medical necessity or for utilization control.

Nurse midwife services (17)

Covered services for the nurse midwife are defined as those services allowed under the licensure requirements of the state statute and as specified in the Code of Federal Regulations, i.e., maternity cycle.

VR 460-03-3.1501.

STANDARDS FOR THE COVERAGE OF ORGAN TRANSPLANT SERVICES.

The following criteria will be used to evaluate specific organ transplant requests.

§ 1.1. Patient selection criteria for liver transplantation (LT).

A. Transplantation of the liver is a surgical treatment whereby a diseased liver is replaced by a healthy organ. Preauthorization is required. The following patient selection criteria shall apply for the consideration of all approvals for coverage and reimbursement for liver transplantation:

1. The patient is under 18 years of age, and has a diagnosis of extrahepatic biliary atresia;

2. Current medical therapy has failed and will not prevent progressive disability and death;

3. The patient does not have other systemic disease, including but not limited to, severe cardio/peripheral/cerebrovascular disease, active systemic infection, renal dysfunction, severe pulmonary hypertension;

4. Adequate supervision will be provided to assure there will be strict adherence by the patient to the long-term medical regimen which is required;

5. The LT is likely to prolong life for at least two years, and to restore a range of physical and social function suited to activities of daily living;

6. The patient is not in both an irreversible terminal state and on a life support system;

7. A facility with appropriate expertise has evaluated the patient, and has indicated willingness to undertake the procedure.

8. The patient does not have multiple uncorrectable severe major system congenital anomalies;

9. Failure to meet (1) through (8) above shall result in denial of preauthorization and coverage for the requested liver transplant procedures.

§ 1.2. Facility selection criteria for liver transplantation (LT).

A. For a medical facility to qualify as an approved Virginia Medicaid provider for performing liver transplants, the following conditions must be met:

1. The facility has available expertise in gastroenterology, immunology, infectious disease, pediatrics, pathology, pharmacology, and anesthesiology;

2. The LT program staff has extensive experience and expertise in the medical and surgical treatment of hepatic disease;

3. Transplant surgeons on the staff have been trained in the LT technique at an institution with a well established LT program;

4. The transplantation program has adequate services to provide specialized psychosocial and social support for patients and families;

5. Adequate blood bank support services are present and available;

6. Satisfactory arrangements exist for donor procurement services;

Proposed Regulations

7. The institution is committed to a program of at least 12 LTs a year;

8. The center has a consistent, equitable, and practical protocol for selection of patients. (At a minimum, the DMAS patient selection criteria must be met.) A copy of the protocol must be provided to DMAS prior to preauthorization;

9. The center has the capacity and commitment to conduct a systematic evaluation of outcome and cost;

10. In addition to hospital administration and medical staff endorsement, hospital staff support also exists for such a program;

11. The hospital has an active, ongoing renal dialysis service;

12. The hospital has access to staff with extensive skills in tissue typing, immunological and immunosuppressive techniques;

13. Initial approval as a LT center requires performance of at least 12 LTs within the most recent 12 months, with a one-year survival rate of at least 50%. Centers that fail to meet this requirement during the first year will be given a one year conditional approval. Failure to meet the volume requirement following the conditional approval year will result in loss of approval.

§ 2.1. Patient selection criteria for provision of kidney transplantation (KT).

A. Transplantation of the kidney is a surgical treatment whereby a diseased kidney is replaced by a healthy organ. Preauthorization is required. The following patient selection criteria shall apply for the consideration of all approvals for coverage and reimbursement for kidney transplantation.

1. Current medical therapy has failed and patient has failed to respond to appropriate conservative management;

2. The patient does not have other systemic disease including but not limited to the following:

- a. Reversible renal conditions;
- b. Major extra-renal complications (malignancy, systemic disease, cerebral cardio-arterial disease);
- c. Active infection;
- d. Severe malnutrition, or;
- e. Pancytopenia.

3. The patient is not in both an irreversible terminal

state and on a life support system;

4. Adequate supervision will be provided to assure there will be strict adherence to the medical regimen which is required;

5. The KT is likely to prolong life and restore a range of physical and social function suited to activities of daily living;

6. A facility with appropriate expertise has evaluated the patient, and has indicated willingness to undertake the procedure.

7. The patient does not have multiple uncorrectable severe major system congenital anomalies;

8. Failure to meet (1) through (7) above shall result in denial of preauthorization and coverage for the requested kidney transplant procedures.

§ 2.2. Facility selection criteria for kidney transplantation (KT).

A. For a medical facility to qualify as an approved Virginia Medicaid provider for performing kidney transplants, the following conditions must be met:

1. The facility has available expertise in immunology, infectious disease, pathology, pharmacology, and anesthesiology;

2. The KT program staff has extensive experience and expertise in the medical and surgical treatment of renal disease;

3. Transplant surgeons on the staff have been trained in the KT technique at an institution with a well established KT program;

4. The transplantation program has adequate services to provide specialized psychosocial and social support for patients and families;

5. Adequate blood bank support services are present and available;

6. Satisfactory arrangements exist for donor procurement services;

7. The institution is committed to a program of at least 25 KTs a year;

8. The center has a consistent, equitable, and practical protocol for selection of patients (at a minimum, the DMAS patient selection criteria must be met and adhered to);

9. The center has the capacity and commitment to conduct a systematic evaluation of outcome and cost;

Proposed Regulations

10. In addition to hospital administration and medical staff endorsement, hospital staff support also exists for such a program;

11. The hospital has an active, ongoing renal dialysis service;

12. The hospital has access to staff with extensive skills in tissue typing, immunological and immunosuppressive techniques;

13. Initial approval as a KT center requires performance of 25 KTs within the most recent 12 months, with a one year survival rate of at least 90%. Centers that fail to meet this requirement during the first year will be given a one-year conditional approval. Failure to meet the volume requirement following the conditional approval will result in loss of approval.

§ 3.1. Patient selection criteria for provision of corneal transplantation (CT).

A. Transplantation of the cornea is a surgical treatment whereby a diseased cornea is replaced by a healthy organ. While preauthorization is not required, the following patient selection criteria shall apply for the consideration of all approvals for reimbursement for cornea transplantation.

1. Current medical therapy has failed and will not prevent progressive disability;

2. The patient is suffering from one of the following conditions:

a. Post-cataract surgical decompensation,

b. Corneal dystrophy,

c. Post-traumatic scarring,

d. Keratoconus, or,

e. Aphakia Bullous Keratopathy;

3. Adequate supervision will be provided to assure there will be strict adherence by the patient to the long term medical regimen which is required;

4. The CT is likely to restore a range of physical and social function suited to activities of daily living;

5. The patient is not in both an irreversible terminal state and on a life support system;

6. The patient does not have untreatable cancer, bacterial, fungal, or viral infection;

7. The patient does not have the following eye conditions:

a. Trichiasis,

b. Abnormal lid brush and/or function,

c. Tear film deficiency,

d. Raised transocular pressure,

e. Intensive inflammation, and

f. Extensive neo-vascularization.

§ 3.2. Facility selection criteria for cornea transplantation (CT).

A. For a medical facility to qualify as an approved Medicaid provider for performing corneal transplants, the following conditions must be met:

1. The facility has available expertise in immunology, infectious disease, pathology, pharmacology, and anesthesiology;

2. The CT program staff has extensive experience and expertise in the medical and surgical treatment of eye diseases;

3. Transplant physicians on the staff have been trained in the CT technique at an institution with a well established CT program;

4. The transplantation program has adequate services to provide social support for patients and families;

5. Satisfactory arrangements exist for donor procurement services;

6. The institution is committed to a program of eye surgery;

7. The center has a consistent, equitable, and practical protocol for selection of patients (at a minimum the DMAS patient selection criteria must be met and adhered to);

8. The center has the capacity and commitment to conduct a systematic evaluation of outcome and cost;

9. In addition to hospital administration and medical staff endorsement, hospital staff support also exists for such a program;

10. Initial approval as a CT center requires performance of corneal transplant surgery, with a one year graft survival rate of at least 75%. Centers that fail to meet this requirement during the first year will be given a one year conditional approval. Failure to meet this requirement following the conditional approval year will result in loss of approval.

Proposed Regulations

fail to meet this requirement during the first year will be given a one year conditional approval. Failure to meet this requirement following the conditional approval year will result in loss of approval.

FINAL REGULATIONS

For information concerning Final Regulations, see information page.

Symbol Key

Roman type indicates existing text of regulations. *Italic type* indicates new text. Language which has been stricken indicates text to be deleted. [Bracketed language] indicates a substantial change from the proposed text of the regulations.

DEPARTMENT OF LABOR AND INDUSTRY

APPRENTICESHIP COUNCIL

Title of Regulation: VR 425-01-27. Regulations Governing the Administration of Apprenticeship Programs in the Commonwealth of Virginia: Biennial Program Sponsor Evaluation (XI).

Statutory Authority: § 40.1-118 of the Code of Virginia.

Effective Date: January 1, 1988

Summary:

Program sponsors will be evaluated once every two years to determine their compliance with the intent of the Voluntary Apprenticeship Act. The Apprenticeship Council may cancel apprenticeship programs where preexisting criteria are not met.

VR 425-01-27. Regulations Governing the Administration of Apprenticeship Programs in the Commonwealth of Virginia: Biennial Program Sponsor Evaluation (XI).

§ 1. Purpose of regulation.

This regulation establishes procedures and standards for the approval and registration of apprenticeship programs and agreements in accordance with Chapter 6, Title 40.1 of the Code of Virginia (1950), as amended. This regulation is intended to insure that apprenticeship training programs developed and registered with the Virginia Apprenticeship Council are of the highest possible quality in all aspects of on-the-job training and related instruction and that all apprenticeship programs provide meaningful employment and relevant training for all apprentices.

§ 2. Definitions (as used in this regulation).

The following words and terms, when used in these regulations, shall have the following meaning, unless the context clearly indicates otherwise:

"Apprentice" shall mean means a person as defined by § 40.1-120 of the Code of Virginia (1950), as amended.

"Apprenticeable occupation" shall mean means an occupation as defined by § 40.1-120 of the Code of Virginia (1950), as amended.

"Apprenticeship agreement" shall mean means a written agreement between an apprentice and a program sponsor, which agreement shall meet the criteria outlined in § 5 of these regulations.

"Apprenticeship council" or "council" means the Virginia Apprenticeship Council established pursuant to § 40.1-117 of the Code of Virginia (1950), as amended.

"Apprenticeship program" means a written plan conducted or sponsored by an employer, an association of employers, a joint apprenticeship committee or an organization of employees, which contains all terms and conditions as outlined in this regulation.

"Commissioner" means the Commissioner of the Virginia Department of Labor and Industry.

"Sponsor" shall mean means an employer, an association of employers, a joint apprenticeship committee or an organization of employees that has an approved apprenticeship program registered with the council.

"Supervisor of apprentices" shall mean means the person designated by the sponsor to perform the duties outlined in the standards of apprenticeship.

§ 3. Eligibility for registration of programs and agreements.

A. Proposed apprenticeship programs conforming to § 4 of these regulations may be submitted to the council for approval and registration by any of the following potential program sponsors:

1. A Joint Apprenticeship Committee (State Commonwealth , area or in plant).
2. An individual employer having no bargaining agreement with those of his employees engaged in the trade to which the standards apply.
3. An association of employers whose members participating under the standards have no bargaining agreement with their employees.
4. An individual employer or an association of employers where there is a collective bargaining agreement or other instrument that provides for union participation in any manner in the proposed program, and such participation is exercised. The sponsor must obtain from the collective bargaining agent written acknowledgement of the union agreement or a

Final Regulations

statement of no objection to the registration of the proposed program. (NOTE: Where no such participation is evidenced and practiced, the employer or association of employers shall simultaneously furnish to the union, which is the collective bargaining agent of the employees to be trained, a copy of the apprenticeship program. The council will allow 60 days for receipt of union comments, if any, before final action is taken on the application for approval and registration.)

5. An organization of employees when the employer or employer association waives participation in the standards.

6. Apprenticeship programs and standards to employers and unions in other than the building and construction industry, which jointly form a sponsoring entity on a multistate basis and are registered, pursuant to all requirements of Title 29, Part 29 of the Code of Federal Regulations, by any recognized State Apprenticeship Agency/Council or the Bureau of Apprenticeship and Training, U.S. Department of Labor, shall be accorded registration upon request by the sponsoring entity.

B. Apprentices must be individually registered under a registered program. Such registration may be effected:

1. By program sponsors filing copies of each apprenticeship agreement; or

2. By program sponsors filing a master copy of such agreement followed by a listing of the name and other required data of each individual when apprenticed.

C. The council may refuse to accept a program proposed for registration if, in its judgment, the program, the sponsor or any participants are unable to conduct the program in accordance with this regulation.

D. Approved apprenticeship programs shall be accorded registration, evidenced by written notification of registration.

§ 4. Standards for apprenticeship programs.

An apprenticeship program to be eligible for registration with the Virginia Apprenticeship Council shall conform to the following standards:

A. The program is an organized written plan embodying the terms and conditions of employment, training and supervision of one or more apprentices in an apprenticeable occupation and subscribed to by a sponsor who has undertaken to carry out the apprentice training program.

B. The program standards contain the equal opportunity pledge and, when applicable, conform with all other requirements in accordance with the Virginia State Plan for Equal Employment Opportunity in Apprenticeship and

provisions concerning the following:

1. The employment and training of the apprentice in an apprenticeable occupation.

2. A statement that on or after the date the standards of apprenticeship are duly executed, it shall be the policy of the sponsor that all apprentices employed in the occupation covered herein shall be governed by the terms and conditions of the standards of apprenticeship, a copy of which will be provided for the sponsor who will make it available to the apprentice for review, upon request.

3. The minimum qualifications required by a sponsor for persons entering the apprenticeship program, with an eligible starting age of not less than 16 years.

4. A provision for the granting of advanced standing or credit on the term of apprenticeship for previously acquired experience, training or skills for all applicants equally, with commensurate wages for any progression step so granted. Credit will be granted only after the record of the apprentice has been reviewed by the sponsor's supervisor of apprentices.

5. The placement of an apprentice under a written apprenticeship agreement, which agreement shall conform to the standards for apprenticeship agreements as stated in § 5 of this regulation.

6. A term of apprenticeship not less than 2,000 hours of work experience, consistent with training requirements as established by industry practice and a statement that overtime hours worked by the apprentice will or will not be credited to the term of apprenticeship.

7. Provisions for an initial probationary period of not less than 500 clock hours and no more than 2,000 clock hours of employment and training, during which time termination of the apprenticeship agreement may be effected by the council upon written notification from either party. Full credit will be given for the initial probationary period toward completion of the apprenticeship program.

8. The designation of the supervisor of apprentices whose duties shall include:

a. Maintaining adequate records of the progress of each apprentice;

b. Assurance of qualified training personnel and adequate supervision on the job;

c. Making reports as required at specified intervals regarding the aptitude, skill and progress of each apprentice;

d. Assurance the apprentice is given instruction in

safe working methods in each operation as it is encountered throughout the term of apprenticeship;

e. Making arrangements with the local vocational education authorities for the required related instruction;

f. Such other duties as may be necessary in developing and maintaining an effective apprenticeship program.

9. An outline of the work processes in which the apprentice will receive supervised work experience on the job and the allocation of the approximate time to be spent in each major process.

10. Provision for organized, related and supplemental instruction in technical subjects related to the trade. Such instruction may be given in a classroom through trade industrial courses or correspondence courses of equivalent value, or other forms of self-study. All related and supplemental instruction will be approved by the director of vocational education. A minimum of 144 hours is recommended for each year of apprenticeship.

11. Provision for a periodic evaluation of each apprentice's progress in job performance and related instruction prior to the expiration of each wage period. Should such a review reveal a lack of interest or ability on the part of the apprentice, the apprentice will be informed of the deficiency and may be placed on probation for a sufficient period of time to determine improvement or failure. At the end of the probationary period, if the apprentice has not shown acceptable improvement, the apprentice agreement may be suspended or revoked. The sponsor will provide written notice of the final action taken to the apprentice and the Virginia Apprenticeship Council.

12. A statement that hours of work for apprentices shall be the same as for other employees in the trade and whether time spent at related instruction will or will not be considered as hours of work.

13. A progressively increasing schedule of wages to be paid the apprentice consistent with the skill acquired and established in accordance with federal and state wage laws.

14. The numeric ratio of apprentices to journeymen consistent proper supervision, training, safety and continuity of employment and applicable provisions contained in collective bargaining agreements or an industry area practice. The ratio language shall be specific and clear as to application in terms of job site, work force, department or plant. (Where there is no bargaining agreement or existing area practice, the ratio shall not exceed one apprentice to every three journeymen or a fraction thereof.) Emergency ratios exceeding area practice or the ratio stated above may

be granted for specified periods of time as determined justifiable.

15. A procedure for lay-off suspension, cancellation and reinstatement of apprentices. Apprentices may be laid off in the commensurate ratio of apprentices to journeymen. Provided, however, any apprentice laid off shall be offered reinstatement in the seniority standing before any new apprentices shall be registered. Where there is a collective bargaining agreement providing for lay-off procedures for apprentices, it shall prevail over the above stated procedures. The council will be notified in writing of all lay-offs, suspensions, cancellations and reinstatements. The notice will state the reason for the specific action.

16. A statement that if and when the sponsor is no longer able to fulfill his obligations for the training of an apprentice, the apprentice may be transferred or registered with credit for previous training to another sponsor.

17. A statement that the sponsor will notify the council of persons who have successfully completed the apprenticeship program and request the council to prepare a Certificate of Completion for issuance to each person.

18. A statement that the sponsor shall instruct the apprentice in safe and healthful work practices and shall insure that the apprentice is trained in facilities and other environments that meet the Virginia Occupational Safety and Health Standards for General Industry and the Construction Industry, developed pursuant to the Federal Occupational Safety and Health Act.

19. A statement that in the event a difference of opinion should arise as to any provision of the apprenticeship agreement, either party to the apprenticeship agreement may consult with the council for clarification of the matter in question.

20. The sponsor's assurance that any modification or amendment of the apprenticeship program will be promptly submitted to the council. Any such modification must be approved by the council and such modification shall not alter or affect apprenticeship agreements in effect without the consent of all parties affected.

21. A statement that the sponsor may have the program cancelled by submitting a written request to the council.

22. A statement that the apprenticeship program may be cancelled by the council if the program is not conducted in accordance with these regulations.

23. A statement identifying the Virginia Apprenticeship

Final Regulations

Council as the registration agency which agency is recognized by the Bureau of Apprenticeship and Training, United States Department of Labor.

24. A statement identifying the apprentice's responsibilities as an employee.

§ 5. Standards for apprenticeship agreements.

The apprenticeship agreement shall contain explicitly or by reference:

A. 1. Names and signatures of the contracting parties (apprentice and sponsor) and the signature of a parent or guardian if the apprentice is a minor.

B. 2. The date of birth, sex, race, social security number and veteran status of the apprentice.

C. 3. Name and address of the sponsor, apprentice and the Virginia Apprenticeship Council.

D. 4. The trade or craft in which the apprentice is to be trained, and the beginning date and duration of the apprenticeship.

E. 5. The number of hours to be spent by the apprentice in work on the job and the number of hours to be spent in related or supplemental instruction.

F. 6. A schedule of the work processes in the trade or industry divisions in which the apprentice is to be trained and the approximate time to be spent at each process.

G. 7. A graduated scale of wages to be paid the apprentice contingent upon satisfactory performance and whether or not the apprentice will be paid for attendance at related or supplemental instruction.

H. 8. Statements providing:

1. a. For a specific initial probationary period conforming to subsection B, paragraph 7 of § 4 of these regulations;

2. b. That after the initial probationary period, the apprenticeship agreement and as it may be amended or modified during the period of the agreement.

I. 9. A reference incorporating as part of the agreement the standards of the apprenticeship program as it exists on the date of the agreement and as it may be amended or modified during the period of the agreement.

J. 10. A statement that the employment and training of apprentices during their apprenticeship, shall be without discrimination because of race, color, religion,

national origin, sex or physical handicap which is unrelated to the person's qualification and ability to perform the job.

K. 11. The educational level of the apprentice.

L. 12. Credit for previous experience granted the apprentice.

M. 13. A provision that a sponsor who is unable to fulfill his obligation under the apprentice agreement may, with the approval of the council, transfer such contract to any other sponsor, provided the apprentice consents and such other sponsor agrees to assume the obligations of the apprentice agreement.

§ 6. Deregistration procedure.

Deregistration of a program may be effected upon the voluntary action of the sponsor by a written request for cancellation of the registration or by the council instituting formal deregistration proceedings in accordance with the provisions of this section.

A. Voluntary deregistration.

The council may cancel the registration of an apprenticeship program by a written acknowledgement of a request stating, but not limited to, the following matters:

1. The registration is cancelled at the sponsor's request, and the effective date thereof.

2. That within 15 days of the date of the acknowledgement, the sponsor shall:

a. Notify all apprentices of such cancellation and the effective date;

b. Inform each apprentice that such cancellation automatically deprives the apprentice of individual registration; and

c. That the cancellation of the program removes the apprentice from coverage for federal and state purposes which require approval of an apprenticeship program.

B. Involuntary deregistration.

Deregistration proceedings may be undertaken by the council when an apprenticeship program is not conducted, operated and administered in accordance with these regulations, except that deregistration proceedings for violation of equal opportunity requirements shall be processed in accordance with the provisions of the Virginia State Plan for Equal Employment Opportunity in Apprenticeship.

1. Where it appears a program is not being operated in accordance with these regulations, the council will

notify the sponsor in writing.

2. The notice shall:

- a. Be sent by registered or certified mail, with return receipt requested;
- b. State the violation(s) and the remedial action required; and
- c. State that deregistration proceedings will be initiated unless corrective action is effected within 30 days of the receipt of the notice.

3. Upon request by the sponsor and for good cause, the 30-day term may be extended for another 30 days. During the period of correction, the sponsor shall be assisted by the council in every reasonable way to achieve conformity.

4. If the council determines that the required correction is not effected within the allotted time, a notice will be sent to the sponsor, by certified or registered mail, return receipt requested, stating the following:

- a. The notice is sent pursuant to this subsection;
- b. Certain deficiencies or violations (stating them) were called to the sponsor's attention and remedial measures requested, with dates of such occasions and letters, and that the sponsor has failed to effect correction;
- c. Based upon the stated deficiencies and failure of remedy, the program will be deregistered, unless within 15 days of the receipt of this notice, the sponsor requests a hearing before the council;
- d. If a request for a hearing is not made, the program will be deregistered.

§ 7. Reinstatement of program registration.

Any apprenticeship program deregistered pursuant to these regulations may be reinstated upon presentation of adequate evidence that the program is operating in accordance with these regulations. Such evidence shall be presented to the council.

§ 8. Hearings.

All hearings will be held in accordance with the provisions of the Administrative Process Act, Chapter 1.1:1, § 9-6.14:11 of Title 9, of the Code of Virginia (1950), as amended.

§ 9. Limitations.

Nothing in these regulations or in any apprenticeship agreement shall operate to invalidate:

A. 1. Any apprenticeship provision in any collective bargaining agreement between employers and employees establishing higher apprenticeship standards; or

B. 2. Any special provisions for veterans, minority persons or females in the standard apprentice qualifications or operation of the program, or in the apprenticeship agreement, which is not otherwise prohibited by state or federal law, executive order or other regulation adopted pursuant thereto.

§ 10. Complaints.

A. This section is not applicable to any complaint concerning discrimination or equal opportunity matters; all such complaints will be processed in accordance with the provisions in the Virginia State Plan for Equal Employment Opportunity in Apprenticeship.

B. Except for matters described in Paragraph subsection A of this section, any controversy or difference arising under an apprenticeship agreement which cannot be adjusted locally and which is not covered by a collective bargaining agreement, may be submitted by an apprentice or his authorized representative within 60 days after the local decision to the council for review. Matters covered by a collective bargaining agreement are not subject to review.

C. The complaint must be in writing and signed by the complainant or his authorized representative. It shall state the specific matter(s) complained of, together with all relevant facts and circumstances. Copies of all pertinent documents and correspondence shall accompany the complaint.

D. The council shall render an opinion within 90 days after receipt of the complaint. During such 90 day period, the council shall make reasonable efforts to effect a satisfactory resolution between the parties involved.

E. If so resolved, the parties shall be notified that the case is closed. Where an opinion is rendered, copies of same shall be sent to all interested parties.

§ 11. Program sponsor evaluation procedure.

Program sponsors will be evaluated once every two years to determine adequate compliance with the goal of training apprentices under proper supervision, in a safe environment, in such a manner as to acquire the skills of the trade, with fair compensation based on individual progress consistent with average like compensation of similar industries in the area. Such evaluations will be conducted by the Apprenticeship Division staff pursuant to procedures and criteria established by the Virginia Apprenticeship Council. The council may cancel apprenticeship programs where preexisting criteria are not met.

Final Regulations

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Title of Regulation: VR 425-01-28. Regulations Governing the Administration of Apprenticeship Programs in the Commonwealth of Virginia: Standards of Apprenticeship Programs - Numeric Ratio of Apprentices to Journeymen (IV.B.14).

Statutory Authority: § 40.1-118 of the Code of Virginia.

Effective Date: January 1, 1988

Summary:

The final regulation contains substantial amendments from the proposed regulation. In both versions, however, the minimum numeric ratio of apprentices to journeymen is reduced from 1:3 to 1:1. Moreover, both versions require a ratio "consistent with proper supervision, training, safety and continuity of employment."

The substantial changes which were made to the proposed regulation were based upon the comments which were received from the public which addressed the concern that the ratio would be used by some program sponsors for purposes inconsistent with the intent of the Voluntary Apprenticeship Act. Under the final version, all program sponsors are required to request a ratio and provide an explanation and justification for it. The regulation enumerates certain factors which will be considered by the department and the Apprenticeship Council when reviewing the requests. Also, the regulation provides for a multi-tiered appeals process (Division of Apprenticeship Training - Commissioner of the Department of Labor and Industry - Apprenticeship Council) if a program sponsor's request is denied. The ratio request scheme is ultimately tied into the Program Sponsor Evaluation Procedure. These substantial changes were made to provide accountability (for the ratio requested) as well as ensure the type of flexibility which is needed due to the wide range of Virginia employers who participate in voluntary apprenticeship.

VR 425-01-28. Regulations Governing the Administration of Apprenticeship Programs in the Commonwealth of Virginia: Standards of Apprenticeship Programs - Numeric Ratio of Apprentices to Journeymen (IV.B.14).

§ 1. Purpose of regulation.

This regulation establishes procedures and standards for the approval and registration of apprenticeship programs and agreements in accordance with Chapter 6, Title 40.1 of the Code of Virginia ~~(1950)~~, as amended. This regulation is intended to insure that apprenticeship training programs developed and registered with the Virginia Apprenticeship Council are of the highest possible quality in all aspects of on-the-job training and related instruction

and that all apprenticeship programs provide meaningful employment and relevant training for all apprentices.

§ 2. Definitions ~~(as used in this regulation)~~.

The following words and terms, when used in these regulations, shall have the following meaning, unless the context clearly indicates otherwise:

"Apprentice" shall mean means a person as defined by § 40.1-120 of the Code of Virginia ~~(1950)~~, as amended.

"Apprenticeable occupation" shall mean means an occupation as defined by § 40.1-120 of the Code of Virginia ~~(1950)~~, as amended.

"Apprenticeship agreement" shall mean means a written agreement between an apprentice and a program sponsor, which agreement shall meet the criteria outlined in § 5 of these regulations.

"Apprenticeship council" or "council" means the Virginia Apprenticeship Council established pursuant to § 40.1-117 of the Code of Virginia ~~(1950)~~, as amended.

"Apprenticeship program" means a written plan conducted or sponsored by an employer, an association of employers, a joint apprenticeship committee or an organization of employees, which contains all terms and conditions as outlined in this regulation.

"Commissioner" means the Commissioner of the Virginia Department of Labor and Industry.

"Sponsor" shall mean means an employer, an association of employers, a joint apprenticeship committee or an organization of employees that has an approved apprenticeship program registered with the council.

"Supervisor of apprentices" shall mean means the person designated by the sponsor to perform the duties outlined in the standards of apprenticeship.

§ 3. Eligibility for registration of programs and agreements.

A. Proposed apprenticeship programs conforming to § 4 of these regulations may be submitted to the council for approval and registration by any of the following potential program sponsors:

1. A Joint Apprenticeship Committee (State Commonwealth , area or in plant).
2. An individual employer having no bargaining agreement with those of his employees engaged in the trade to which the standards apply.
3. An association of employers whose members participating under the standards have no bargaining agreement with their employees.

4. An individual employer or an association of employers where there is a collective bargaining agreement or other instrument that provides for union participation in any manner in the proposed program, and such participation is exercised. The sponsor must obtain from the collective bargaining agent written acknowledgement of the union agreement or a statement of no objection to the registration of the proposed program. (NOTE: Where no such participation is evidenced and practiced, the employer or association of employers shall simultaneously furnish to the union, which is the collective bargaining agent of the employees to be trained, a copy of the apprenticeship program. The council will allow 60 days for receipt of union comments, if any, before final action is taken on the application for approval and registration.)

5. An organization of employees when the employer or employer association waives participation in the standards.

6. Apprenticeship programs and standards to employers and unions in other than the building and construction industry, which jointly form a sponsoring entity on a multistate basis and are registered, pursuant to all requirements of Title 29, Part 29 of the Code of Federal Regulations, by any recognized State Apprenticeship Agency/Council or the Bureau of Apprenticeship and Training, U.S. Department of Labor, shall be accorded registration upon request by the sponsoring entity.

B. Apprentices must be individually registered under a registered program. Such registration may be effected:

1. By program sponsors filing copies of each apprenticeship agreement; or
2. By program sponsors filing a master copy of such agreement followed by a listing of the name and other required data of each individual when apprenticed.

C. The council may refuse to accept a program proposed for registration if, in its judgment, the program, the sponsor or any participants are unable to conduct the program in accordance with this regulation.

D. Approved apprenticeship programs shall be accorded registration, evidenced by written notification of registration.

§ 4. Standards for apprenticeship programs.

An apprenticeship program to be eligible for registration with the Virginia Apprenticeship Council shall conform to the following standards:

A. The program is an organized written plan embodying the terms and conditions of employment, training and supervision of one or more apprentices in an

apprenticeable occupation and subscribed to by a sponsor who has undertaken to carry out the apprentice training program.

B. The program standards contain the equal opportunity pledge and, when applicable, conform with all other requirements in accordance with the Virginia State Plan for Equal Employment Opportunity in Apprenticeship and provisions concerning the following:

1. The employment and training of the apprentice in an apprenticeable occupation.

2. A statement that on or after the date the standards of apprenticeship are duly executed, it shall be the policy of the sponsor that all apprentices employed in the occupation covered herein shall be governed by the terms and conditions of the standards of apprenticeship, a copy of which will be provided for the sponsor who will make it available to the apprentice for review, upon request.

3. The minimum qualifications required by a sponsor for persons entering the apprenticeship program, with an eligible starting age of not less than 16 years.

4. A provision for the granting of advanced standing or credit on the term of apprenticeship for previously acquired experience, training or skills for all applicants equally, with commensurate wages for any progression step so granted. Credit will be granted only after the record of the apprentice has been reviewed by the sponsor's supervisor of apprentices.

5. The placement of an apprentice under a written apprenticeship agreement, which agreement shall conform to the standards for apprenticeship agreements as stated in § 5 of this regulation.

6. A term of apprenticeship not less than 2,000 hours of work experience, consistent with training requirements as established by industry practice and a statement that overtime hours worked by the apprentice will or will not be credited to the term of apprenticeship.

7. Provisions for an initial probationary period of not less than 500 clock hours and no more than 2,000 clock hours of employment and training, during which time termination of the apprenticeship agreement may be effected by the council upon written notification from either party. Full credit will be given for the initial probationary period toward completion of the apprenticeship program.

8. The designation of the supervisor of apprentices whose duties shall include:

- a. Maintaining adequate records of the progress of each apprentice;

Final Regulations

- b. Assurance of qualified training personnel and adequate supervision on the job;
 - c. Making reports as required at specified intervals regarding the aptitude, skill and progress of each apprentice;
 - d. Assurance the apprentice is given instruction in safe working methods in each operation as it is encountered throughout the term of apprenticeship;
 - e. Making arrangements with the local vocational education authorities for the required related instruction;
 - f. Such other duties as may be necessary in developing and maintaining an effective apprenticeship program.
9. An outline of the work processes in which the apprentice will receive supervised work experience on the job and the allocation of the approximate time to be spent in each major process.
10. Provision for organized, related and supplemental instruction in technical subjects related to the trade. Such instruction may be given in a classroom through trade industrial courses or correspondence courses of equivalent value, or other forms of self-study. All related and supplemental instruction will be approved by the director of vocational education. A minimum of 144 hours is recommended for each year of apprenticeship.
11. Provision for a periodic evaluation of each apprentice's progress in job performance and related instruction prior to the expiration of each wage period. Should such a review reveal a lack of interest or ability on the part of the apprentice, the apprentice will be informed of the deficiency and may be placed on probation for a sufficient period of time to determine improvement or failure. At the end of the probationary period, if the apprentice has not shown acceptable improvement, the apprentice agreement may be suspended or revoked. The sponsor will provide written notice of the final action taken to the apprentice and the Virginia Apprenticeship Council.
12. A statement that hours of work for apprentices shall be the same as for other employees in the trade and whether time spent at related instruction will or will not be considered as hours of work.
13. A progressively increasing schedule of wages to be paid the apprentice consistent with the skill acquired and established in accordance with federal and state wage laws.
14. The numeric ratio of apprentices to journeymen consistent proper supervision, training, safety and continuity of employment and applicable provisions

contained in collective bargaining agreements or an industry area practice. The ratio language shall be specific and clear as to application in terms of job site, work force, department or plant. (Where there is no bargaining agreement or existing area practice, the ratio shall not exceed one apprentice to every three journeymen or a fraction thereof.) Emergency ratios exceeding area practice or the ratio stated above may be granted for specified periods of time as determined justifiable; [*The number of apprentices to be trained by a sponsor will be determined by the need to fill job vacancies consistent with the availability of proper supervision, training, safety and reasonable continuity of employment. No sponsor shall train more than one apprentice for each journeyman employed or employ more than one apprentice for each journeyman on a job site.*

The minimum numeric ratio of apprentices to journeymen shall be 1:1. Individual program sponsors shall propose, as part of their apprenticeship standards, a ratio of apprentices to journeymen consistent with proper supervision, training, safety and continuity of employment, applicable provisions in collective bargaining agreements, and applicable requirements of recognized licensing boards or authorities.

The Department of Labor and Industry, Division of Apprenticeship Training, will review and approve all ratio proposals based on the explanation and justification provided by each program sponsor. Consideration will be given, but not limited to, the following factors:

- a. Evidence of ability to assure proper supervision, training, safety, and continuity of employment under the proposed ratio;*
- b. The specific nature of the industry and occupation involved;*
- c. Proposed hiring or upgrading of minorities, females, older workers, dislocated workers, ex-offenders, the handicapped, and veterans;*
- d. Evidence of ability to train under the proposed ratio.*

If a request is disapproved by the division, the sponsor may appeal, in writing, the decision to the commissioner. If the commissioner upholds the decision of the Apprenticeship Training Division, the sponsor may appeal to the State Apprenticeship Council. The decision of the council shall be final.

Existing program sponsors shall request a ratio they consider best for their enterprise and provide an explanation or justification for the ratio requested. These requests shall be submitted no later than March 31, 1988.

The effectiveness of the numeric ratio approved for individual program sponsors will be examined every two years during the Program Sponsor Evaluation process.]

15. A procedure for lay-off suspension, cancellation and reinstatement of apprentices. Apprentices may be laid off in the commensurate ratio of apprentices to journeymen. Provided, however, any apprentice laid off shall be offered reinstatement in the seniority standing before any new apprentices shall be registered. Where there is a collective bargaining agreement providing for lay-off procedures for apprentices, it shall prevail over the above stated procedures. The council will be notified in writing of all lay-offs, suspensions, cancellations and reinstatements. The notice will state the reason for the specific action.

16. A statement that if and when the sponsor is no longer able to fulfill his obligations for the training of an apprentice, the apprentice may be transferred or registered with credit for previous training to another sponsor.

17. A statement that the sponsor will notify the council of persons who have successfully completed the apprenticeship program and request the council to prepare a Certificate of Completion for issuance to each person.

18. A statement that the sponsor shall instruct the apprentice in safe and healthful work practices and shall insure that the apprentice is trained in facilities and other environments that meet the Virginia Occupational Safety and Health Standards for General Industry and the Construction Industry, developed pursuant to the Federal Occupational Safety and Health Act.

19. A statement that in the event a difference of opinion should arise as to any provision of the apprenticeship agreement, either party to the apprenticeship agreement may consult with the council for clarification of the matter in question.

20. The sponsor's assurance that any modification or amendment of the apprenticeship program will be promptly submitted to the council. Any such modification must be approved by the council and such modification shall not alter or affect apprenticeship agreements in effect without the consent of all parties affected.

21. A statement that the sponsor may have the program cancelled by submitting a written request to the council.

22. A statement that the apprenticeship program may be cancelled by the council if the program is not conducted in accordance with these regulations.

23. A statement identifying the Virginia Apprenticeship Council as the registration agency which agency is recognized by the Bureau of Apprenticeship and Training, United States Department of Labor.

24. A statement identifying the apprentice's responsibilities as an employee.

§ 5. Standards for apprenticeship agreements.

The apprenticeship agreement shall contain explicitly or by reference:

A. 1. Names and signatures of the contracting parties (apprentice and sponsor) and the signature of a parent or guardian if the apprentice is a minor.

B. 2. The date of birth, sex, race, social security number and veteran status of the apprentice.

C. 3. Name and address of the sponsor, apprentice and the Virginia Apprenticeship Council.

D. 4. The trade or craft in which the apprentice is to be trained, and the beginning date and duration of the apprenticeship.

E. 5. The number of hours to be spent by the apprentice in work on the job and the number of hours to be spent in related or supplemental instruction.

F. 6. A schedule of the work processes in the trade or industry divisions in which the apprentice is to be trained and the approximate time to be spent at each process.

G. 7. A graduated scale of wages to be paid the apprentice contingent upon satisfactory performance and whether or not the apprentice will be paid for attendance at related or supplemental instruction.

H. 8. Statements providing:

1. a. For a specific initial probationary period conforming to subsection B, paragraph 7 of § 4 of these regulations;

2. b. That after the initial probationary period, the apprenticeship agreement and as it may be amended or modified during the period of the agreement.

I. 9. A reference incorporating as part of the agreement the standards of the apprenticeship program as it exists on the date of the agreement and as it may be amended or modified during the period of the agreement.

J. 10. A statement that the employment and training of apprentices during their apprenticeship, shall be

Final Regulations

without discrimination because of race, color, religion, national origin, sex or physical handicap which is unrelated to the person's qualification and ability to perform the job.

K. 11. The educational level of the apprentice.

L. 12. Credit for previous experience granted the apprentice.

M. 13. A provision that a sponsor who is unable to fulfill his obligation under the apprentice agreement may, with the approval of the council, transfer such contract to any other sponsor, provided the apprentice consents and such other sponsor agrees to assume the obligations of the apprentice agreement.

§ 6. Deregistration procedure.

Deregistration of a program may be effected upon the voluntary action of the sponsor by a written request for cancellation of the registration or by the council instituting formal deregistration proceedings in accordance with the provisions of this section.

A. Voluntary deregistration.

The council may cancel the registration of an apprenticeship program by a written acknowledgement of a request stating, but not limited to, the following matters:

1. The registration is cancelled at the sponsor's request, and the effective date thereof.

2. That within 15 days of the date of the acknowledgement, the sponsor shall:

a. Notify all apprentices of such cancellation and the effective date;

b. Inform each apprentice that such cancellation automatically deprives the apprentice of individual registration; and

c. That the cancellation of the program removes the apprentice from coverage for federal and state purposes which require approval of an apprenticeship program.

B. Involuntary deregistration.

Deregistration proceedings may be undertaken by the council when an apprenticeship program is not conducted, operated and administered in accordance with these regulations, except that deregistration proceedings for violation of equal opportunity requirements shall be processed in accordance with the provisions of the Virginia State Plan for Equal Employment Opportunity in Apprenticeship.

1. Where it appears a program is not being operated

in accordance with these regulations, the council will notify the sponsor in writing;

2. The notice shall:

a. Be sent by registered or certified mail, with return receipt requested;

b. State the violation(s) and the remedial action required; and

c. State that deregistration proceedings will be initiated unless corrective action is effected within 30 days of the receipt of the notice.

3. Upon request by the sponsor and for good cause, the 30-day term may be extended for another 30 days. During the period of correction, the sponsor shall be assisted by the council in every reasonable way to achieve conformity.

4. If the council determines that the required correction is not effected within the allotted time, a notice will be sent to the sponsor, by certified or registered mail, return receipt requested, stating the following:

a. The notice is sent pursuant to this subsection;

b. Certain deficiencies or violations (stating them) were called to the sponsor's attention and remedial measures requested, with dates of such occasions and letters, and that the sponsor has failed to effect correction;

c. Based upon the stated deficiencies and failure of remedy, the program will be deregistered, unless within 15 days of the receipt of this notice, the sponsor requests a hearing before the council;

d. If a request for a hearing is not made, the program will be deregistered.

§ 7. Reinstatement of program registration.

Any apprenticeship program deregistered pursuant to these regulations may be reinstated upon presentation of adequate evidence that the program is operating in accordance with these regulations. Such evidence shall be presented to the council.

§ 8. Hearings.

All hearings will be held in accordance with the provisions of the Administrative Process Act, Chapter 1.1:1, § 9-6.14:11 of Title 9, of the Code of Virginia (1950), as amended.

§ 9. Limitations.

Nothing in these regulations or in any apprenticeship

agreement shall operate to invalidate:

A. 1. Any apprenticeship provision in any collective bargaining agreement between employers and employees establishing higher apprenticeship standards; or

B. 2. Any special provisions for veterans, minority persons or females in the standard apprentice qualifications or operation of the program, or in the apprenticeship agreement, which is not otherwise prohibited by state or federal law, executive order or other regulation adopted pursuant thereto.

§ 10. Complaints.

A. This section is not applicable to any complaint concerning discrimination or equal opportunity matters; all such complaints will be processed in accordance with the provisions in the Virginia State Plan for Equal Employment Opportunity in Apprenticeship.

B. Except for matters described in ~~Paragraph~~ subsection A of this section, any controversy or difference arising under an apprenticeship agreement which cannot be adjusted locally and which is not covered by a collective bargaining agreement, may be submitted by an apprentice or his authorized representative within 60 days after the local decision to the council for review. Matters covered by a collective bargaining agreement are not subject to review.

C. The complaint must be in writing and signed by the complainant or his authorized representative. It shall state the specific matter(s) complained of, together with all relevant facts and circumstances. Copies of all pertinent documents and correspondence shall accompany the complaint.

D. The council shall render an opinion within 90 days after receipt of the complaint. During such 90 day period, the council shall make reasonable efforts to effect a satisfactory resolution between the parties involved.

E. If so resolved, the parties shall be notified that the case is closed. Where an opinion is rendered, copies of same shall be sent to all interested parties.

MARINE RESOURCES COMMISSION

NOTE: Effective July 1, 1984, the Marine Resources Commission was exempted from the Administrative Process Act (§ 9-6.14:4 of the Code of Virginia) for the purposes of promulgating regulations. However, they are required by § 9-6.14:22B to publish the full text of the final regulations.

Title of Regulation: VR 450-01-0045. Public Participation Guidelines.

Statutory Authority: § 28.1-27 and Chapter 2.1 (§ 62.1-13.1 et seq.) of Title 62.1 of the Code of Virginia.

Effective Date: June 2, 1987

Summary:

These guidelines set forth the manner in which the Habitat Management Division of the Marine Resources Commission will encourage the participation of public interests in the formation and development of guidelines or general permits under the Administrative Process Act.

VR 450-01-0045. Public Participation Guidelines.

§ 1. Authority.

Section 28.1-27 and Chapter 2.1 (§ 62.1-13.1 et seq.) of Title 62.1 of the Code of Virginia.

§ 2. Purpose.

These guidelines establish the manner in which the Habitat Management Division will solicit public input prior to and during the guideline or general permit development process, from formation and promulgation, to final adoption.

§ 3. Proposed guideline/general permit.

All proposals prior to formation and drafting will be submitted to the commission for authorization to proceed with the public review process.

§ 4. Procedures.

A. Mailing list.

1. The division will develop a list of parties interested in the development of guidelines and general permits.

2. A list of appropriate newspapers and other relevant media will be maintained.

B. Advisory committee.

The Habitat Management Advisory Committee established in response to Senate Joint Resolution No. 133, 1987 Session, will be consulted in the development of new or revised guidelines or general permits.

§ 6. Notice of intended regulatory action.

1. Whenever the division intends to promulgate a general permit or guidelines or make substantial change to existing guidelines, a notice of intended regulatory action will be:

a. Published in the Virginia Register of Regulations

Final Regulations

and

b. Mailed to all parties on the mailing list.

2. The notice of intended regulatory action will include:

a. The type of regulatory action being considered,

b. The title of the document,

c. The purpose of the proposed document,

d. The last date for submittal of written comments and the person to receive comments,

e. The statutory authority for the proposed action,

f. Other pertinent information, and

g. A contact person for additional information.

D. Public meetings in the formulation stage.

1. The division may schedule public meetings to receive public views and comments and answer questions on contemplated actions.

2. Reasonable notice of any public meetings will be:

a. Published in the Virginia Register of Regulations,

b. Mailed to all parties on the mailing list, and

c. Advertised in appropriate newspapers.

3. The division may consolidate notice of any public meetings scheduled with the notice of intended regulatory action.

E. Proposals that emerge from the public formulation process described above will be placed on an appropriate commission agenda for authorization to proceed through the complete regulatory promulgation process as outlined in the Administrative Process Act.

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

REGISTRAR'S NOTICE: This regulation is being adopted in response to a federal regulatory mandate. The Department of Medical Assistance Services is requesting exclusion from the requirements of Article 2 (§ 9-6.14:7.1 et seq.) of the Administrative Process Act, under the provision of §§ 9-6.14:4.1.C.4(a) and 9-6.14:4.1.C.4(c) of the Code of Virginia.

Section 9-6.14:4.1.C.4(a) of the Code of Virginia excludes from Article 2 regulations which are necessary to conform to changes in this Code where no agency discretion is involved, and § 9-6.14:4.1.C.4(c) of the Code of Virginia

excludes from Article 2 regulations which are necessary to meet the requirements of federal law or regulations, provided such regulations do not differ materially from those required by federal law or regulation, and the Registrar has so determined in writing; notice of the proposed adoption of these regulations and the Registrar's determination shall be published in the Virginia Register not less than 30 days prior to the effective date thereof. The Department of Medical Assistance Services will receive, consider and respond to petitions by any interested person at any time with respect to reconsideration or revision.

Due to its length, the State Plan for Medical Assistance filed by the Department of Medical Assistance Services is not being published. However, in accordance with § 9-6.14:22 of the Code of Virginia, a summary is being published in lieu of the full text. The full text of the regulations is available for public inspection at the office of the Registrar of Regulations and at the Department of Medical Assistance Services.

Title of Regulations: Assorted Technical Amendments Resulting from Compass Review: State Plan for Medical Assistance. (VR 460-02-3.1110, VR 460-02.3.1111, VR 460-02-3.1303, VR 460-02-4.1911, VR 460-02-4.1913, VR 460-02-4.1931, VR 460-03-4.1951, VR 460-02-7.2101.)

Statutory Authority: § 32.1-325 of the Code of Virginia.

Effective Date: August 5, 1987


Summary:

The Code of Virginia grants authority to the Board of Medical Assistance Services to administer and amend the State Plan for Medical Assistance subject to the approval of the Governor. The board approved on June 9, 1987 technical amendments resulting from the Compass consultants' review of the plan. The Code of Federal Regulations (at 45 CFR 201.3(d)) requires the states to maintain currency and consistency in their plans when compared to relevant federal statutes and regulations. This amendment brings the plan up to date on a number of nonsubstantive issues in conformance with federal regulatory and statutory changes over the last several years as well as one state law change.

The purpose of this technical amendment is to conform the language of the State Plan for Medical Assistance to federal regulatory and statutory changes and one state law change. The need to conform has resulted from our recent review of the plan.

A comprehensive review of the plan had not been made for several years. The results of the review indicated that the plan is, for the most part, in compliance and current. There are a few recommended updates, due to recent federal legislative and regulatory activity, resulting from the

review. The updates are considered nonsubstantive and technical and, therefore, exempt from the Commonwealth's public comment process since the Code's Administrative Process Act exempts these kinds of actions from public comment requirements.



COMMONWEALTH of VIRGINIA
 VIRGINIA CODE COMMISSION
 General Assembly Building

POST OFFICE BOX 342
 RICHMOND, VIRGINIA 23208
 (804) 786-2287

June 23, 1987

Ray T. Sorrell, Director
 Medical Assistance Services
 Suite 1300
 600 East Broad Street
 Richmond, Virginia 23219

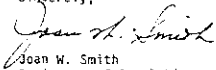
Re: VR 460-02-3.1110. Technical Amendments to Plan From
 Compass Review

Dear Mr. Sorrell:

This will acknowledge receipt of the above-referenced regulation from the Department of Medical Assistance Services.

As required by § 9-6.14:4.1 C.4.(c). of the Code of Virginia, I have determined that these Regulations, except for one, are exempt from the operation of Article 2 of the Administrative Process Act since they do not differ materially from those required by federal law.

The change which deletes certain language in the podiatry coverage is excluded from Article 2 under the provisions of § 9-6.14:4.1(C)(4)(a) as it is inconsistent with State law.

Sincerely,

 Joan W. Smith
 Registrar of Regulations

JWS:s11

REGISTRAR'S NOTICE: This regulation is excluded from Article 2 of the Administrative Process Act in accordance with § 9-6.14:4.1.C.3 of the Code of Virginia, which excludes regulations which consist only of changes in style or form or corrections of technical errors. The Department of Medical Assistance Services will receive, consider and respond to petitions by any interested person at any time with respect to reconsideration or revision.

Title of Regulation: VR 460-03-2.2121. More Restrictive Eligibility Criteria: State Plan for Medical Assistance.

Statutory Authority: § 32.1-325 of the Code of Virginia.

Effective Date: August 1, 1987

Summary:

This technical amendment to the State Plan for Medical Assistance adds already existing language to another section in the plan to improve the items' cross referencing, and effects no changes in operating

policies or procedures. The language being added to VR 460-03-2.2121 (Attachment 2.2-A Supplement 2) adds two more criteria for restrictive categorical eligibility. This language already existed in VR 460-03-2.6152 (Attachment 2.6-A Supplement 5) and therefore, is an already existing policy. The items being added are concerned with a recipient's interest in an undivided estate and contiguous property.

VR 460-03-2.2121. More Restrictive Eligibility Criteria: State Plan for Medical Assistance.

§ 1. More restrictive categorical eligibility criteria:

1. Presumptively eligible SSI recipients are not covered.
2. Presumptively disabled or blind SSI recipients are not covered.
3. Conditionally eligible SSI recipients are not covered.
4. Property in the form of an interest in an undivided estate is to be regarded as an asset unless it is considered unsaleable for reasons other than being an undivided estate. An heir can initiate a court action to partition. However, if such an action would not result in the applicant/recipient securing title to property having value substantially in excess of the cost of the court action, the property would not be regarded as an asset.
5. Ownership of a dwelling occupied by the applicant as his home does not affect eligibility. For those medically needy persons whose eligibility for medical assistance is required by federal law to be dependent on the budget methodology for Aid to Dependent Children, a home means the house and lot used as the principal residence and all contiguous property. For all other persons, a home shall mean the house and lot used as the principal residence and all contiguous property as long as the value of the land, exclusive of the lot occupied by the house, does not exceed \$5,000. In any case in which the definition of home as provided here is more restrictive than that provided in the state plan for medical assistance in Virginia as it was in effect on January 1, 1972, then a home means the house and lot used as the principal residence and all contiguous property essential to the operation of the home regardless of value.

The lot occupied by the house shall be a measure of land as designated on a plat or survey or whatever the locality sets as a minimum size for a building lot whichever is less. In localities where no minimum building lot requirement exists, a lot shall be a measure of land designated on a plat or survey or one acre whichever is less.

Contiguous property essential to the operation of the home means:

Final Regulations

A. Land used for the regular production of any food or goods for the household's consumption only, including:

1. Vegetable gardens;
2. Pasture land which supports livestock raised for milk or meat, and land used to raise chickens, pigs, etc. (The amount of land necessary to support such animals is established by the local extension service; however, in no case shall more land be allowed than that actually being used to support the livestock.)
3. Outbuildings used to process or store any of the above;

B. Driveways which connect the homesite to public roadways;

C. Land necessary to the homesite to meet local zoning requirements (e.g., building sites, mobile home sites, road frontage, distance from road, etc.);

D. Land necessary for compliance with state or local health requirements (e.g., distance between home and septic tank, distance between septic tanks, etc.);

E. Water supply for the household;

F. Existing burial plots;

G. Outbuildings used in connection with the dwelling, such as garages or tool sheds.

All of the above facts shall be fully evaluated and documented in the case record before the home site determination is made.

(See Attachment 2.6 A for the more restrictive financial eligibility criteria.)

EMERGENCY REGULATION

DEPARTMENT OF SOCIAL SERVICES (BOARD OF)

Title of Regulation: VR 615-01-15. Aid to Dependent Children - Working Parents Program.

Statutory Authority: § 63.1-25 of the Code of Virginia.

Effective Date: July 1, 1987

Preamble:

The 1986 session of the Virginia General Assembly appropriated \$500,000 to fund the Aid to Dependent Children - Working Parents Program during fiscal 1987. The program, operated on a pilot basis in 10 localities throughout the Commonwealth, provided temporary (six months) financial assistance to unemployed two-parent families whose principal wage earner demonstrated a recent work history. The department's FY 1987-88 budget contains a \$500,000 authorization to continue funding for this program and also allows the carryover of remaining funds from 1986-87. An analysis of the current program did not reveal the need to modify the basic program design.

Due to the limited nature of the appropriation, the Department of Social Services finds that a situation necessitating immediate promulgation of an emergency regulation exists. Such an emergency will preclude the usual procedures set forth for the promulgation of regulations in the Administrative Process Act, § 9-6.14:4.1 of the Code of Virginia.

Emergency approval of the Governor is needed to allow the department to continue the program requirements effective July 1, 1987. The 1986 session of the Virginia General Assembly appropriated monies to implement the Aid to Dependent Children - Working Parents Program. Funding authorization for the program expires June 30, 1987; and, as such, the emergency regulation will also expire on that date. The inability of the department to promulgate this emergency regulation will result in the termination of this program.

The Department of Social Services will receive, consider, and respond to any petitions to reconsider or revise the emergency regulation contained herein which might be filed by interested persons or groups prior to the regulation's expiration.

Summary:

Pursuant to § 63.1-25 of the Code of Virginia, the State Board of Social Services has been delegated authority to promulgate rules and regulations necessary for operation of public assistance programs in Virginia.

The Aid to Dependent Children - Working Parents Program is currently operating as a test-pilot program in 10 localities throughout the Commonwealth. The

purpose of the program is to provide short-term (six months) assistance to families who are not eligible for assistance through the Aid to Dependent Children (ADC) Program because both parents are living in the home. To qualify, the principal wage earner parent must be unemployed and demonstrate a recent work history.

In response to an analysis of the current program's effectiveness, the department is proposing the continuation of this program with the basic program design resembling the Aid to Dependent Children Unemployed Parent Program (AFDC-UP) found at § 233.100 of Title 45 of the Code of Federal Regulations. This continuation will be effective July 1, 1987, through June 30, 1988.

VR 615-01-15. Aid to Dependent Children - Working Parents Program.

PART I. DEFINITIONS.

§ 1.1. The following words and terms, when used in these guidelines, shall have the following meaning unless the context clearly indicates otherwise:

"*Exempt resources*" means the home in which the assistance unit lives and its contents; one motor vehicle with an equity value of \$1,500 or less; income producing farm and business equipment; cash and other assets, the total of which does not exceed the established resource maximum of \$1,000; one burial plot per assistance unit member; and burial funds and/or funeral arrangements with an equity value of \$1,500 or less per assistance unit member.

"*Principal wage earner*" means the parent in the home who earned the greater amount of income in the 24-month period, the last month of which immediately precedes the month in which an application is filed for assistance.

"*Resource*" means real and personal property, both liquid and nonliquid, including cash, bank accounts, the cash value of bank accounts, the cash value of life insurance, trust funds, stocks, bonds, mutual funds, or any other financial instruments, which the assistance unit has the right, authority, or power to liquidate.

"*Standard of assistance*" means the dollar amount, based on the family size, which has been established to cover predetermined monthly maintenance needs.

"*Unemployed*" means employed less than 100 hours a month; or if the 100 hour rule is exceeded for a particular month, the work must be intermittent as evidenced by the fact that the 100 hour rule was not violated during the prior two months and is expected to be under the standard during the next month.

Emergency Regulation

PART II. HOUSEHOLD COMPOSITION.

§ 2.1. Aid to Dependent Children - Working Parents Program is limited to those families with a child under 18, or under 19 if enrolled in a full-time secondary, vocational, or technical school and is expected to graduate before reaching the age of 19, who would be eligible for assistance through the Aid to Dependent Children Program except that he is not deprived due to the continued absence, death, or incapacity of at least one parent, as long as the principal wage earner:

A. Has been unemployed for 30 days prior to receipt of assistance;

B. Has not without good cause, within such 30-day period prior to receipt of assistance, refused a bona fide offer of employment or training;

C. Has six or more quarters of work within any 13-calender-quarter period ending within one year prior to application for assistance, or within such one-year period, received unemployment compensation under an unemployment compensation law of a state or of the United States or would have "qualified" for unemployment compensation under the state's unemployment compensation law if he had filed application for same, or he performed work not covered by such law, which if it had been covered, would (together with any covered work he had performed) have made him eligible to receive such benefits upon filing an application.

PART III. FINANCIAL ELIGIBILITY.

§ 3.1. The family's total income must be below the Aid to Dependent Children Program's Standard of Assistance for the appropriate family size. Income disregards used in the Aid to Dependent Children (ADC) Program are also applicable.

PART IV. EMPLOYMENT SERVICES.

§ 4.1. In order for the family to be eligible for assistance, the principal wage earner must participate in a program of employment services which will consist of the following components:

A. Job search.

B. Work experience.

PART V. RESOURCES.

§ 5.1. The total nonexempt resources of the family cannot exceed \$1,000.

§ 5.2. The family will be ineligible for assistance if they

improperly transfer or improperly dispose of their legal or equitable interest in nonexempt resources within two years from the date of application.

PART VI. APPLICATION PROCESS.

§ 6.1. The application must be acted upon as quickly as possible, however, in all instances a determination regarding eligibility must be made within 45 days from the date the signed application is received in the agency.

PART VII. ENTITLEMENT.

§ 7.1. Entitlement to assistance is limited to six months during the period beginning July 1, 1986 1987 and ending June 30, 1987 1988 .

PART VIII. MEDICAL ASSISTANCE.

§ 8.1. Recipients of assistance through the Aid to Dependent Children - Working Parents Program will not automatically be eligible for medical assistance through the Medicaid Program.

Submitted by:

/s/ William L. Lukhard, Commissioner
Date: May 28, 1987

Approved by:

/s/ Gerald L. Baliles, Governor of Virginia
Date: June 8, 1987

Filed by:

/s/ Ann M. Brown, Deputy Registrar
Date: June 10, 1987 - 9:43 a.m.

VIRGINIA WASTE MANAGEMENT BOARD

Title of Regulation: VR 672-20-1. Financial Assurance Regulations for Solid Waste Facilities.

Statutory Authority: §§ 10-266 and 10-273 of the Code of Virginia.

Effective Date: June 17, 1987

Summary:

These regulations establish the financial assurance requirements for privately owned or operated nonhazardous solid waste disposal facilities. The regulations specifically exempt facilities owned or operated by local, state, or federal agencies.

Emergency Regulation

Alternate means to guarantee financial assurance for closure and postclosure of facilities are specified as a condition of permit application for new facilities.

The regulations require maintenance of liability coverage for sudden and nonsudden incidents. Alternative means of providing coverage is included. Applying a financial test is authorized as an alternative to appropriate insurance coverage. Limited exemptions are included.

The regulations provide the requirements for fulfilling financial responsibility for solid waste disposal facilities owned or operated by private individuals. They include the requirements for facility closure and postclosure care, and standards for closure and postclosure. Those factors to be considered for determining the cost estimates for facility closure are set forth. A variety of financial mechanisms to include bonds and corporate guarantees are prescribed for meeting the financial assurance requirements. The liability insurance requirements for sudden and nonsudden incidents for solid waste facilities set minimum liability limits with potential variances to the insurance requirements. Guidelines are provided for each of the available financial mechanisms.

Basis of Emergency:

The Virginia Waste Management Board on May 19, 1987 found that an existing emergency financial assurance regulation expires on June 1, 1987 and that the final regulation for Financial Assurance Regulations for Solid Waste Facilities approved by the Board on May 19, 1987, can not become effective before July 22, 1987. The basis of the emergency action is to prevent the absence of statutorily-mandated regulations. In addition, the board considered the lapse in regulatory authority as being disruptive in permitting new privately owned solid waste facilities and implementing an effective financial assurance program for existing facilities.

Because of a previous court decision that ruled invalid a solid waste permit issued without valid financial assurance regulations, the department will not be able to continue issuing permits for new facilities or to require existing privately owned or operated facilities to obtain essential financial assurance.

Therefore, the Virginia Waste Management Board, pursuant to Sections 10-266 and 10-269 of the Code of Virginia with the concurrence of the Governor of the Commonwealth, pursuant to Section 9-6.14:4.1.C.5 of the Code of Virginia, adopts this following emergency regulation, effective upon filing with the Registrar of Regulations.

This emergency regulation will be enforced under applicable statutes and will remain in full force and effect until September 1, 1987, unless sooner modified or vacated or superseded.

It is so ordered:

By: /s/ Cynthia V. Bailey
Executive Director
Date: May 19, 1987

Approved by:

By: /s/ Gerald L. Baliles
Governor of the Commonwealth
Date: June 15, 1987

Filed by:

By: /s/ Joan W. Smith
Registrar of Regulations
Date: June 17, 1987 - 10:40 a.m.

VR 672-20-1. Financial Assurance Regulations for Solid Waste Facilities.

PART I. DEFINITIONS.

§ 1.1. Definitions.

The following words and terms, when used in these regulations, shall have the following meaning, unless the content clearly indicates otherwise:

"Abandoned facility" means any inactive solid waste management facility which no longer receives solid waste on a regular basis and which has not been properly closed in accordance with plans approved by the department.

"Ash" means waste material produced from an incineration process or any combustion. Ash types include fly ash, bottom ash, and incinerator residue.

"Bottom ash" means ash or slag remaining in the combustion unit after combustion.

"Closed facility" means a solid waste management facility which has been properly terminated in accord with an approved facility closure plan on file with the Department of Waste Management and complying with all applicable regulations and requirements concerning its stabilization.

"Closure" means the act of securing and stabilizing a solid waste management facility pursuant to the requirements of these regulations.

"Commercial waste" means all solid waste generated by establishments engaged in business operations other than manufacturing. This category includes, but is not limited to, solid waste resulting from the operation of stores, markets, office buildings, restaurants, shopping centers, and similar commercial facilities.

"Construction/demolition/debris landfill" means a solid

Emergency Regulation

waste disposal area used for the controlled disposal of construction wastes, demolition wastes, debris wastes, or nondecomposable inert solids which are insoluble in water.

"Construction waste" means the waste building material refuse and other largely inert solid waste resulting from construction, remodeling, and repair operations on houses, commercial buildings, pavements, and other structures. Construction waste includes lumber, wire, sheetrock, broken brick, shingles, glass, pipes, asphalt, concrete and other nonhazardous, nonsoluble unwanted or unused construction material. Paints, coatings, asbestos and any liquid, compressed gases, or semi-liquids are not construction wastes. A mixture of construction waste with any amount of other type of solid waste will cause it to be classified as other than construction waste.

"Corrective action" means all actions necessary to mitigate the public health or environmental threat from a release to the environment of pollutants from an operating or closed solid waste disposal facility and to restore the environmental conditions as required.

"Cover material" means soil or other approved material which is used to blanket solid waste in a landfill.

"Debris waste" means inert solid wastes such as brick or block, wood chips, tree stumps, or brush.

"Demolition waste" means solid waste which is largely inert, resulting from the demolition or razing of buildings, roads, and other man-made structures. Asbestos waste is not demolition waste.

"Disposal" means the intentional discharge, deposition, injection, dumping, spilling, leaking or placement of any solid waste into or on land or water so that such solid waste or any constituent thereof may enter the environment (i.e., air, soil, surface water or groundwater) or to otherwise discard.

"Facility" means a solid waste management processing or disposal site, or resource recovery site, including any and all contiguous land structures and other appurtenances and improvements thereon used for solid waste disposal and associated activities. Facility types include sanitary landfills, construction/demolition/debris landfills, industrial waste landfills, resource recovery systems, transfer stations, incinerators and composting operations. A facility may consist of more than one operational unit.

"Fly ash" means ash particulate collected from air pollution attenuation devices on combustion units, such as those that burn fossil fuels or incinerate solid waste.

"Groundwater" means any water, except capillary moisture beneath the land surface in the zone of saturation or beneath the bed of any stream, lake, reservoir or other body of surface water within the boundaries of this state.

"Hazardous waste" means a "hazardous waste" as defined by the Virginia Hazardous Waste Management Regulations.

"Incineration" means the controlled combustion of solid waste in an enclosed device.

"Incinerator" means a commercial furnace or other combustion unit which is an enclosed device using controlled flame combustion for solid waste with a rated capacity for greater than 20 tons of solid waste per day and is not classified as a boiler or industrial furnace for other than solid waste.

"Incinerator residue" means the resulting ash product from the incineration of solid waste.

"Industrial solid waste" means all solid waste resulting from a manufacturing and industrial processes which are not suitable for discharge to a sanitary sewer or treatment in a publicly owned sewage treatment plant. Industrial solid wastes may include: mining wastes from the extraction, beneficiation and processing of ores and minerals unless those materials are returned to the mine site; fly ash; bottom ash; slag; fire gas emission control wastes generated primarily from the combustion of coal or other fossil fuels; cement kiln dust; and asbestos.

"Industrial waste landfill" means a sanitary landfill facility for the disposal of a specific industrial waste or a waste which is a by-product of a production process.

"Infectious waste" means solid wastes which are generated by health care facilities, laboratories, and research facilities and are contaminated with pathogenic organisms and may cause infectious disease in exposed persons.

"Institutional waste" means all solid waste emanating from institutions such as, but not limited to, hospitals, nursing homes, orphanages, and either public or private schools. It can include infectious waste from health care facilities and research facilities that has not been classified as a hazardous waste by the Virginia Hazardous Waste Management Regulations.

"Landfill" means a sanitary landfill, industrial waste landfill, construction/demolition/debris landfill, or an impoundment closed in-situ as an industrial waste landfill.

"Leachate" means water or other liquid that has percolated through or originated in solid waste and contained, dissolved, suspended, or miscible containments extracted from the solid waste. Leachate and any material with which it is mixed is solid waste; except that leachate that is pumped from a collection containment facility for transportation to disposal in an off-site facility is septage, and leachate discharged into a wastewater collection system is industrial wastewater.

"Monitoring" means all procedures and techniques used

to systematically analyze, inspect, and collect data on operational parameters of the facility or on the quality of air, groundwater, surface water, and soil.

"Monitoring wells" means a well point below the uppermost or regional groundwater table for the purpose of obtaining periodic water samples for qualitative analysis.

"Nonhazardous solid waste" means solid waste that is not classified as hazardous waste by the Virginia Hazardous Waste Management Regulations.

"Operator" means the person responsible for the overall operation and site management of a solid waste management facility.

"Owner" means the person, corporation or other legal entity which legally possesses the land on which a solid waste management facility is located.

"Permit" means the written permission of the executive director to own, operate, or construct a solid waste management facility.

"Person" means an individual, trust, firm, joint stock company, corporation, partnership, association, state, municipality, commission, political subdivision of a state, or any interstate body, or federal government agency.

"Sanitary landfill" means a land disposal site employing an engineered, constructed and controlled burial method of disposal of solid waste to minimize environmental and health nuisances and hazards. The methods include spreading the solid waste in thin layers, compacting the solid waste to the smallest practical volume, confining the solid waste to the smallest practical area, and applying suitable cover material at the end of each operating day or at such more frequent intervals as may be necessary.

"Secure access control" means the use of fences with locking gates, entry control, operational inspection of incoming solid waste and positive limitations on unauthorized disposal. Natural barriers which prevent unauthorized access may be considered as a replacement for fence sections.

"Site" means the land area upon which a facility or activity is physically located or conducted.

"Solid waste" means any discarded material, garbage, refuse, sludge from a waste treatment plant, water supply treatment plant, or air pollution control facility and other discarded material, including but not limited to solid, liquid, semisolid, or contained gaseous material resulting from industrial, commercial, mining, and agricultural operations, and from community activities, but does not include solid or dissolved materials in domestic sewage, or solid or dissolved materials in irrigating return flow or industrial discharges which are point sources subject to permits under § 402 of the Federal Water Pollution

Control Act, as amended (86 Stat. 880), or source, special nuclear or by-product material as defined by The Atomic Energy Act of 1954, as amended (68 Stat. 923). Solid waste can include construction waste, commercial waste, debris waste, industrial waste, infectious waste, and institutional waste except where excluded as a hazardous waste.

"Solid waste disposal facility" means any sanitary landfill facility, construction/demolition/debris landfill facility, industrial waste landfill, resource recovery facility, incinerator and composting facility. A wastewater treatment plant is not a solid waste facility.

PART II. GENERAL INFORMATION AND LEGISLATIVE AUTHORITY.

§ 2.1. Authority for regulations.

Section 10-273 of the Code of Virginia authorizes the Virginia Waste Management Board to exercise general supervision and control over solid waste management activities in this Commonwealth and promulgate regulations for financial responsibility by privately owned solid waste disposal facilities in the event of abandonment. Authority to adopt regulations is established under the Administrative Process Act (§ 9-6.14:4.1.(C)(5)) of the Code of Virginia.

§ 2.2. Purpose of regulations.

A. The purpose of these regulations is to assure that owners and operators of nonhazardous solid waste disposal facilities are financially responsible for the closure and post-closure of their facilities and can provide financial assurance for liability which may result from any sudden or nonsudden accidental occurrences.

B. These regulations establish standards and procedures for the issuance and continuation of permits to construct or operate solid waste management facilities.

§ 2.3. Petition for regulation revisions.

The Virginia Waste Management Board will receive, consider, and respond to petitions by any interested person at any time with respect to reconsideration or revision of these regulations.

§ 2.4. Applicability of regulations.

A. These regulations apply to all persons who own, operate, or allow solid waste disposal facilities to be operated on their property in the Commonwealth except counties, cities, and towns or federal and state agencies.

B. Exemptions to these regulations include:

1. Composting of sewage sludge at the sewage treatment plant of generation and not involving other solid wastes.

Emergency Regulation

2. Land application of wastes regulated under Virginia Sewerage Regulations or the State Water Control Board as a part of the National Pollution Discharge Elimination System (NPDES).

3. Solid waste generated in the normal operation of a farm and related to the production of crops, to the extent those solid wastes are managed on the site of their generation.

4. Management of hazardous waste as defined and controlled by the Commonwealth of Virginia, Virginia Waste Management Board, Hazardous Waste Management Regulations.

C. Management of solid wastes which are exempted from the Virginia Hazardous Waste Management Regulations are subject to these regulations unless exempted herein.

§ 2.5. Enforcement and appeal procedures; offenses and penalties.

A. All administrative enforcement actions and appeals relative to these regulations shall be governed by the Administrative Process Act, Chapter 1.1:1 (§ 9-6.14:1 et seq.) of Title 9 of the Code of Virginia.

B. Orders.

The executive director is authorized to issue orders to require any person to comply with these regulations as stated or to require such steps he deems necessary to bring about compliance. Orders will be issued in written form through certified mail and will be issued in accord with provisions of the Administrative Process Act.

§ 2.6. Suspensions and revocations.

A. If the executive director believes that the public health or the environment is or may be threatened by a solid waste management facility and that the threat poses a substantial present or potential hazard to human health or environment, he may suspend all or part of the operation of the facility for such time as he shall prescribe. The suspension shall be made by written notice to the operator. Such a suspension shall constitute an order. An administrative hearing on the suspension will be held at the request of the owner/operator.

B. The executive director may revoke or amend any permit for cause as set in § 10-272 of the Code of Virginia. Failure to provide or maintain adequate financial assurance in accordance with these regulations shall be a basis for revocation of such facility solid waste permit and site closure.

PART III. CLOSURE AND POST-CLOSURE FINANCIAL RESPONSIBILITY AND LIABILITY COVERAGE.

§ 3.1. General purpose and scope.

A. Permits for nonhazardous solid waste disposal facilities shall require closure, and post-closure financial assurance and liability insurance plans as prescribed in this part for the purpose of assuring that owners and operators of these facilities are financially responsible for protection of public health and the environment.

B. This part contains general provisions governing closure and post-closure care for solid waste disposal facilities. These provisions may be supplemented by more specific closure and post-closure care requirements. Together with the cost estimate provisions, these provisions form the basis of the financial assurance requirements and liability insurance limits included in this part.

§ 3.2. Closure and post-closure care requirements.

A. Notification.

1. An owner or operator intending to close a solid waste disposal facility shall notify the department of the intention to do so at least 180 days prior to the anticipated date for initiating closure. Simultaneous notice shall be made to the governing body of each host locality and adjacent property owners.

2. The owner or operator shall post one sign notifying all persons of the closing and prohibition against further receipt of waste materials. Further, suitable barriers shall be installed at former accesses to prevent new waste from being deposited.

B. Closure and post-closure standards.

1. Closure and post-closure care shall occur in accord with approved plans. A closure plan and a post-closure plan shall be submitted with the permit application. The holder of the permit shall submit a proposed modified closure plan or post-closure plan to the department for review and approval as such modifications become necessary during the life of the facility.

2. The owner or operator shall close his facility in a manner that minimizes the need for further maintenance; and controls, minimizes or eliminates, to the extent necessary to protect human health and the environment, the post-closure escape of uncontrolled leachate, surface runoff, or waste decomposition products to the groundwater, surface water, or to the atmosphere. The post-closure period shall continue for 10 years after the date of completing closure of the solid waste disposal facility or as the department decides is sufficient to protect human health and the environment.

C. Inspection.

1. The department shall inspect all solid waste

Emergency Regulation

management facilities that have been closed to determine if the closing is complete and adequate in accordance with the approved plan not more than 30 days after being notified by the owner or operator that closure has been completed. The department shall notify the owner of a closed facility in writing not more than 30 days after the inspection of its findings.

a. If the closure is not satisfactory, it shall order necessary construction or such other steps as may be appropriate to bring unsatisfactory sites into compliance with the closure requirements.

b. If the closure is satisfactory, the owner shall be advised in writing.

2. Notification by the department that the closure is satisfactory does not relieve the operator of responsibility for corrective action in accordance with regulations of the department to prevent or abate problems caused by the facility.

§ 3.3. Financial responsibility.

A. General.

1. In order to assure that the costs associated with protecting the public health and safety from the consequences of an abandonment or a failure to properly execute closure or post-closure care of a nonhazardous solid waste disposal facility are to be recovered from the owner or operator, the owner or operator of such a facility shall obtain one, or a combination of the financial responsibility instruments described in this section. Evidence of financial responsibility shall be in one or a combination of the following forms: a surety bond; a trust fund maintained for the benefit of the Department of Waste Management; a letter of credit; a deposit of acceptable collateral with the executive director; with the financial test and corporate guarantee or such other mechanisms as the board may deem appropriate. Financial responsibility instruments for site closure shall be in the amount calculated as the cost estimate for facility closure using the procedures set forth in §§ 3.4. and 3.5 of these regulations. The selected financial responsibility instrument or instruments shall be filed with the Department of Waste Management as part of the permit application procedures and prior to the issuance of an operating permit. The director may reject the proposed evidence of financial responsibility if the mechanism(s) submitted does not adequately assure that funds will be available for closure and post-closure care. The owner shall be notified in writing within 45 days of receipt of the financial assurance mechanism(s) of the decision to accept or reject the proposed evidence.

2. To further protect the public health and safety, owners or operators of nonhazardous solid waste disposal facilities shall obtain liability coverage for

sudden and nonsudden accidental occurrences using the procedures set forth in § 3.6. of these regulations.

B. Applicability.

1. The requirements for appropriate financial responsibility for solid nonhazardous waste disposal facilities as contained in these regulations shall apply to all private owners or operators of such existing and future facilities throughout the Commonwealth of Virginia; no state, local or other governmental agency is required to comply with these provisions on financial responsibility.

2. Any funds forfeited to the state pursuant to a financial responsibility plan required by these regulations shall be paid over to the county, city, or town in which the abandoned facility is located to be expended by the county, city, or town only as necessary to restore and maintain such facility in a safe condition.

§ 3.4. Cost estimates.

A. Cost estimate for facility closure.

1. In submitting a closure plan as required by these regulations, the owner or operator of a solid nonhazardous waste disposal facility shall include therein a written estimate of the cost of closing the facility. The estimated closing cost shall be jointly agreed upon by the Department of Waste Management and the owner or operator filing the permit application but in no case shall the estimated closing cost be less than:

a. One thousand dollars for each acre of a landfill ultimately to be utilized at the site for actual waste disposal purposes.

b. Five thousand dollars for each acre used for composting of solid waste and for on site storage.

c. Ten thousand dollars for each acre or fraction thereof used at an incinerator for the collection and storage of solid waste and for incinerator residue.

2. If no mutually agreed to estimate is arrived at, the estimate will be determined by the department.

3. The estimated closing cost shall be based on the work required for a third party contractor to effect proper closure at the most expensive point in the life of the facility. Those factors to be considered in estimating the closing cost shall include:

a. The size and topography of the site.

b. The daily and weekly tonnage of waste to be received at the site.

Emergency Regulation

c. Availability of cover and fill material needed for site grading.

d. The type of waste to be received at the site.

e. Landfill method and sequential landfill plan.

f. The location of the site and the character of the surrounding area.

g. Requirements for surface drainage.

h. Leachate collection and treatment system.

i. Environmental quality monitoring systems.

j. Structures and other improvements to be dismantled and removed.

k. Site storage capacity for solid waste, incinerator residue, and compost material.

l. Off-site disposal requirements.

m. An appropriate forecasted average rate of inflation over the period of the life of the site.

n. Vector control requirements.

4. If the executive director has reason to believe that a previously submitted closure cost estimate is no longer adequate, he may require that the operator submit a revised estimate. The operator shall submit the revised estimate within 90 days following the receipt of a notice of the requirement by the executive director. When the revised estimates are approved, the owner/operator shall submit revised financial assurance for the revised closure costs.

B. Cost estimate for facility post-closure.

1. In submitting a closure plan as required by these regulations, the owner or operator of a nonhazardous solid waste disposal facility shall include therein a written estimate of the cost of post-closure care, monitoring, maintenance, and corrective action for a privately owned or operated facility located in the Commonwealth of Virginia. Unless on site disposal is planned or required, an incinerator, resource recovery facility, and compost facility will not be required to include a post-closure cost estimate in its closure plan. The estimated post-closure cost shall be jointly agreed upon by the Department of Waste Management and the owner or operator filing the permit application. If no mutually agreed to estimate is arrived at, the estimate will be determined by the department. Such costs shall be based on the work required for a third party contractor.

2. Those factors to be considered in estimating post-closure care costs shall include:

a. The size and topography of the site.

b. The type and quantity of waste received.

c. Landfill method and sequential landfill plan.

d. The potential for significant leachate production and the possibility of contaminating water supplies.

e. Environmental quality monitoring systems.

f. Soil conditions.

g. An appropriate forecasted average rate of inflation over the period of the life of the site.

h. The location of the site and the character of the surrounding area.

3. Estimated costs of post-closure activities shall be determined on a case-by-case basis. If during a disposal site's active waste collection life a substantial change occurs in the operations of the facility or in the nature and development of the surrounding area, the executive director may order the filing of a revised estimate of post-closure costs by the owner or operator, which shall be submitted within 90 days following the receipt of notice of the requirement by the executive director. When the revised estimates are approved, the owner/operator shall submit revised financial assurance for the revised post-closure costs.

§ 3.5. Financial assurance for facility closure and post-closure.

A. General.

For each nonhazardous solid waste facility for which a permit is applied, a separate financial assurance mechanism shall be provided for closure and post-closure activities. Determination of the financial responsibility requirements for post-closure care shall be made by the department when the complete closure plan, closure financial responsibility mechanisms, and the permit application are evaluated.

B. Financial mechanisms.

Financial responsibility may be demonstrated by one or a combination of the following financial instruments executed in the amount calculated as the estimated closing cost in accordance with § 3.4. of these regulations. Financial instruments shall substantially comply with the language shown in the cited appendices.

1. A closure trust fund maintained by the owner or operator of a disposal site for the benefit of the Department of Waste Management (see Appendices 3.1 and 3.2).

2. A surety bond guaranteeing performance of closure,

with the disposal site owner or operator as the principal and the Commonwealth of Virginia as the obligee, issued for the life of the disposal site or until closure is completed, written with a penal sum equal to the estimated closure cost amount (see Appendices 3.3 and 3.4).

3. A letter of credit from a bank or other financial institution regulated by an agency of the Commonwealth of Virginia written in the amount of the estimated closure cost (see Appendices 3.5 and 3.6).

4. A deposit of acceptable collateral, as determined by the executive director, with the Commonwealth of Virginia with market value at least equal to the amount of the estimated closure cost (see Appendix 3.7).

5. A financial test and corporate guarantee as determined appropriate by the executive director in accordance with Appendices 3.8, 3.9, and 3.10.

6. Other individual or group mechanisms that the department may deem appropriate.

C. Multiple financial mechanisms.

1. An owner or operator may satisfy the requirements of this section by establishing more than one financial mechanism. These mechanisms are limited to trust funds, performance bonds, letters of credit, and deposits of acceptable collateral. The mechanisms must be as specified in Appendices 3.1 through 3.7 except that it is the combination of mechanisms rather than each single mechanism, which must provide financial assurance for an amount at least equal to the closure cost estimate.

2. The executive director may elect to use of any or all of the mechanisms, in accordance with the requirements of Appendices 3.1 through 3.7.

D. Release of the owner or operator from the requirements of this section.

Within 60 days after receiving certification from the owner or operator that closure has been accomplished in accordance with the closure plan and the provisions of these regulations, the executive director shall verify that proper closure has occurred. Unless the executive director has reason to believe that closure has not been in accordance with the closure plan, he shall notify the owner or operator in writing that he is no longer required to maintain financial assurance for closure of the particular facility. Such notice shall release the owner or operator only from the requirements for financial assurance for closure of the facility; it does not release him from legal responsibility for meeting the closure or post-closure standards or from liability for any sudden or nonsudden accidents occurring either before, during, or

after closure of the site. If no written notice of termination of financial assurance requirements or failure to properly perform closure is received by the owner or operator within 60 days after certifying proper closure, the owner or operator may petition the executive director for an immediate decision, in which case the executive director shall respond within 10 days after receipt of such petition.

E. Incapacity of institution issuing financial responsibility instruments.

An owner or operator who fulfills the requirements of § 3.5. by obtaining a letter of credit, a surety bond, or by depositing negotiable collateral will be deemed to be without the required financial assurance in the event of bankruptcy, insolvency, or a suspension or revocation of the license or charter of the issuing institution. The owner or operator shall establish other financial assurance within 60 days of such event.

§ 3.6. Liability insurance requirements.

A. Each owner and operator of a solid waste disposal facility shall secure and maintain liability coverage for claims arising from injuries to other parties, including bodily injury or damage to property of others. This coverage shall be in the form of a financial test for liability coverage (see Appendix 3.8) an insurance policy, or other financial instrument(s) as authorized in subsection G of § 3.6. These forms of coverage shall be of the types and in not less than the amounts listed in subsections D, E and F below. Each person securing a permit shall file evidence of satisfactory liability coverage when the department issues the permit and before any site development work begins.

B. The liability insurance shall be issued by an insurance company authorized to do business in the Commonwealth of Virginia. The liability insurance shall be subject to the insurer's policy provisions filed with and approved by the executive director.

C. A certificate or memorandum of insurance shall be furnished to the department for its approval showing specifically the coverage and limits, together with the name of the insurance company and the insurance agent. If any of the coverages set forth on these certificates or memoranda of insurance are reduced, cancelled, terminated, or nonrenewed, the permittee or, insurance company shall, not less than 30 days before the effective date of the action, furnish the department with appropriate notices of that action. Timely proof of periodic renewal shall be furnished to the department by submittal of a certificate or memorandum of insurance before the expiration date of the policy.

D. Each owner or operator of a solid waste disposal facility shall demonstrate financial responsibility for bodily injury and property damage to third parties caused by sudden accidental occurrences arising from operations of

Emergency Regulation

the facility. The minimum liability limits for sudden accidental occurrences shall be for the annual aggregate of \$100,000 for all landfills, incinerators, resource recovery facilities and compost facilities.

E. If the executive director determines at any time that an owner's or operator's required liability limits are not consistent with the degree and duration of present or potential risks associated with the disposal facility, the executive director may increase the operator's limit as may be necessary to protect human health and the environment. An insurance policy shall have not more than a \$5,000 deductible for each occurrence. The executive director may authorize an increase in the deductible based on the owner/operator's financial ability to pay a higher deductible. The minimum coverage shall include the following expenses:

1. Coverage of premises and operations, including operations of independent contractors; and
2. Coverage for contamination or pollution.

F. An owner or operator of a solid waste disposal facility shall demonstrate financial responsibility for bodily injury and property damage to third parties caused by nonsudden accidental occurrences arising from operations of the disposal facility. The owner or operator shall have and maintain minimum liability coverage for nonsudden accidental occurrences for an annual aggregate sum exclusive of legal defense cost as follows:

1. Five hundred thousand dollars for sanitary landfills and industrial landfills without a liner and leachate collection system;
2. Two hundred fifty thousand dollars for sanitary and industrial landfills with a liner and leachate collection system; and
3. One hundred thousand dollars for construction/demolition/debris landfills.

G. Any applicant, after conducting a site risk assessment, may request that the department evaluate the hazard(s) involved in an accidental occurrence and may request a variance from the specific insurance coverage amounts prescribed under this regulation or requirements for liability insurance where the applicant is able to demonstrate other financial responsibility satisfactory to the executive director.

1. Solid waste disposal facilities accepting construction/demolition/debris waste shall not be required to obtain liability insurance if the applicant can demonstrate that:
 - a. No wastes other than construction, demolition or debris wastes have been or will be accepted into the site;

- b. Reasonably secure access control, either natural or man-made, eliminate the risk that unauthorized wastes will enter the site; and

- c. The location and design of the site is sufficient to prevent adverse effects associated with the disposal of construction/demolition/debris wastes.

2. Any applicant may request a waiver of the requirement for liability insurance. In evaluating the request for a waiver, the director shall consider:

- a. The nature of the wastes accepted in the site.
 - b. The security of access control.
 - c. The ownership of the land on which the disposal is occurring.
 - d. The existence of a groundwater monitoring program.
 - e. The compliance record of the applicant.

3. If the director finds that commercial insurance cannot be obtained in the voluntary market due to circumstances beyond the control of the permit holder or applicant or such insurance is not economically feasible to obtain, the director may allow the use of personal bonds or other mechanisms in lieu of commercial insurance.

Appendix 3.1.

GUIDELINES FOR TRUST FUND.

A. The owner or operator of a nonhazardous solid waste disposal facility may satisfy the requirements of this section by establishing a closure trust fund which satisfies the requirements of this appendix and by attaching an originally signed duplicate of the trust agreement to the facility closure or post-closure plan submitted with the permit application. The trustee for the trust fund must be a bank or financial institution which has the authority to act as a trustee and whose trust operations are regulated and examined by the Commonwealth of Virginia.

B. The trust agreement shall be executed in the form provided for such purposes by the Executive Director. The trust agreement must contain a formal certification of the acknowledgement as indicated in Appendix 3.2.

C. Payments to the trust fund must be made annually by the owner or operator over the term of the state permit issued for such facility or over the disposal life of the facility if such facility life is shorter than the term of the state permit. Payments must be made as follows:

1. The first payment shall be made when the trust is established and shall be at least equal to the cost estimate (as determined under § 3.4.), divided by the

Emergency Regulation

number of years in the term of the permit or life of the facility, whichever is the shorter.

2. Subsequent payments must be made no later than 30 days after each anniversary date of the first payment. The amount of each subsequent payment shall be the cost estimate minus the current value of the trust fund, divided by the number of years remaining in the term of the permit, or the remaining number of years in the life of the site, whichever is the shorter.

D. The owner or operator may accelerate payments into the trust fund or he may deposit the full amount of the cost estimate at the time the fund is established. However, the value of the fund must be maintained at no less than the value would have been if annual payments were made as specified in paragraphs A and C of this Appendix.

E. If the owner or operator establishes a trust fund after having initially used one or more alternative mechanisms specified in this section, his first payment must be at least the amount that the fund would have contained if the trust fund were established and annual payments were made as specified in paragraphs A and C of this Appendix.

F. Whenever the cost estimate changes after the pay-in period is completed, the owner or operator shall compare the new estimate with the trustee's most recent annual valuation of the trust fund. If the value of the fund is less than the amount of the new cost estimate, the owner or operator must, within 60 days of the change in the cost estimate, deposit a sufficient amount into the fund so that its value after payment at least equals the amount of the new estimate, or obtain other financial assurance as specified in this section to cover the difference. If the value of the trust fund is greater than the total amount of the cost estimate, the owner or operator may submit a written request to the Executive Director for release of the amount which is in excess of the closure cost estimate.

G. If the owner or operator substitutes other financial assurance as specified in this section for all or part of the trust fund, he may submit a written request to the Executive Director for release of the amount which is greater than the amount required as a result of the substitution.

H. Within 60 days after receiving a request from the owner or operator for release of funds specified in paragraphs F and G of this Appendix, the Executive Director will instruct the trustee to release to the owner or operator such funds as the Executive Director specifies in writing.

I. After beginning final closure or during the period of post-closure care, an owner or operator or any other person authorized to conduct closure, may request reimbursement for closure or post-closure expenditures respectively by submitting itemized bills to the Executive

Director. Within 60 days after receiving bills for closure activities, the Executive Director shall instruct the trustee to make reimbursements in those amounts as the Executive Director determines that the expenditures are in accordance with the closure or post-closure plan or are otherwise justified.

J. The Executive Director shall agree to terminate the trust when:

1. The owner or operator substitutes alternate financial assurance as specified in this section; or
2. The Executive Director notifies the owner or operator that he is no longer required by this section to maintain financial assurance for the closure or post-closure of the facility.

Appendix 3.2.

WORDING OF TRUST AGREEMENT FOR A TRUST FUND.

A trust agreement for a trust fund as specified in § 3.5. B.1 of these regulations, must be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted.

TRUST AGREEMENT

Trust agreement, the "Agreement", entered into as of (date) by and between (name of the owner or operator), a (State) (corporation, partnership, association, proprietorship), the "Grantor", and (name of corporate trustee), a (State corporation) (national bank), the "Trustee".

Whereas, the Waste Management Board, Commonwealth of Virginia, has established certain regulations applicable to the Grantor, requiring that the owner or operator of a nonhazardous waste disposal facility must provide assurance that funds will be available when needed for closure or post-closure of the facility,

Whereas, the Grantor has elected to establish a trust to provide such financial assurance for the facility identified herein,

Whereas, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this agreement, and the Trustee is willing to act as trustee,

Now, therefore, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

A. The term "fiduciary" means any person who exercises any power of control, management, or disposition or renders investment advice for a fee or other

Emergency Regulation

compensation, direct or indirect, with respect to any moneys or other property of this trust fund, or has any authority or responsibility to do so, or who has any authority or responsibility in the administration of this trust fund.

B. The term "Grantor" means the owner or operator who enters into this Agreement and any successors or assigns of the Grantor.

C. The term "Trustee" means the Trustee who enters into this Agreement and any successor Trustee.

Section 2. Identification of Facility and Cost Estimates. This Agreement pertains to (insert the facility number, if any, name, address, and the closure cost estimate, or portion thereof, for which financial assurance is demonstrated by this Agreement).

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a trust fund, the "Fund", for the benefit of the Department of Waste Management, Commonwealth of Virginia. The Grantor and the Trustee intend that no third party have access to the Fund except as herein provided. The Fund is established initially as consisting of the property, which is acceptable to the Trustee, described in Schedule A attached hereto. Such property and any other property subsequently transferred to the Trustee is referred to as the fund, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund will be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee undertakes no responsibility for the amount or adequacy of, nor any duty to collect from the Grantor, any payments to discharge any liabilities of the Grantor established by the Commonwealth of Virginia's Department of Waste Management.

Section 4. Payment for Closure. The Trustee will make such payments from the Fund as the Department of Waste Management, Commonwealth of Virginia will direct, in writing, to provide for the payment of the costs of closure or post-closure of the facility covered by this Agreement. The Trustee will reimburse the Grantor or other persons as specified by the Department of Waste Management, Commonwealth of Virginia, from the Fund for closure or post-closure expenditures in such amounts as the Department of Waste Management will direct, in writing. In addition, the Trustee will refund to the Grantor such amounts as the Department of Waste Management specifies in writing. Upon refund, such funds will no longer constitute part of the Fund as defined herein.

Section 5. Payments Comprising the Fund. Payments made to the Trustee for the fund will consist of cash or securities acceptable to the Trustee.

Section 6. Trustee Management. The Trustee will invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without

distinction between principal and income, in accordance with investment guidelines and objectives communicated in writing to the Trustee from time to time by the Grantor, subject, however, to the provisions of this Section. In investing, reinvesting, exchanging, selling and managing the Fund, the Trustee or any other fiduciary will discharge his duties with respect to the trust fund solely in the interest of the participants and beneficiaries and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of any enterprise of a like character and with like aims; except that:

A. Securities or other obligations of the Grantor, or any other owner or operator of the facility, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 USC § 80a-2(a), will not be acquired or held, unless they are securities or other obligations of the federal or a state government;

B. The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the federal or state government; and

C. The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

A. To transfer from time to time any or all of the assets of the Fund to any common, commingled or collective trust fund created by the Trustee in which the Fund is eligible to participate subject to all of the provisions thereof, to be commingled with the assets of other trusts participating herein. To the extent of the equitable share of the Fund in any such commingled trust, such commingled trust will be part of the Fund;

B. To purchase shares in any investment company registered under the Investment Company Act of 1940, 15 USC § 80a-1 et seq., of one which may be created, managed, underwritten, or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustees may vote such shares in its discretion.

Section 8. Express Powers of Trustee. Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

A. To sell, exchange, convey, transfer or otherwise dispose of any property held by it, by private contract or at public auction. No person dealing with the Trustee will be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other dispositions;

B. To make, execute, acknowledge and deliver any and

Emergency Regulation

all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

C. To register any securities held in the fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United State government, or any agency or instrumentality thereof with a Federal Reserve Bank, but the books and records of the Trustee will at all times show that all such securities are part of the Fund;

D. To deposit any cash in the fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or State government; and

E. To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund will be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee will be paid from the Fund.

Section 10. Annual Valuation. The Trustee will annually, at the end of the month coincident with or preceding the anniversary date of establishment of the Fund, furnish the Grantor and to the Executive Director of the Department of Waste Management, Commonwealth of Virginia, a statement confirming the value of the Trust. Any securities in the Fund will be valued at market value as of no more than 30 days prior to the date of the statement. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the Executive Director of the Department of Waste Management, Commonwealth of Virginia will constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the

Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee will be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 12. Trustee Compensation. The Trustee will be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 13. Successor Trustee. Upon the written agreement of Grantor, the Trustee, and the Executive Director of the Department of Waste Management, Commonwealth of Virginia, the Trustee may resign or the Grantor may replace the Trustee. In either event, the Grantor will appoint a successor Trustee who will have the same powers and duties as those conferred upon the Trustee hereunder. Upon acceptance of the appointment by the successor trustee, the Trustee will assign, transfer and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee and the date on which he assumes administration of the trust will be specified in writing and sent to the Grantor, the Executive Director of the Department of Waste Management, Commonwealth of Virginia, and the present and successor trustees by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this section will be paid as provided in Part IX.

Section 14. Instructions to the Trustee. All orders, requests and instructions by the Grantor to the Trustee will be in writing, signed by the grantor, trustee, a Notary Public and any person the Grantor may designate. The Trustee will be fully protected in acting without inquiry in accordance with the Grantor's orders, requests and instructions. All orders, requests, and instructions by the Executive Director of the Department of Waste Management, Commonwealth of Virginia, to the Trustee will be in writing, signed by the Executive Director and the Trustee will act and will be fully protected in acting in accordance with such orders, requests and instructions. The Trustee will have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or the Commonwealth of Virginia's Department of Waste Management hereunder has occurred. The Trustee will have no duty to act in the absence of such orders, requests and instructions from the Grantor and/or the Commonwealth of Virginia's Department of Waste Management, except as provided for herein.

Section 15. Notice of Nonpayment. The Trustee will notify the Grantor and the Executive Director of the Department of Waste Management, Commonwealth of Virginia, by

Emergency Regulation

certified mail within 10 days following the expiration of the 30 day period after the anniversary of the establishment of the Trust, if no payment is received from the Grantor during that period. After the pay-in period is completed, the Trustee is not required to send a notice of nonpayment.

Section 16. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee, and the Executive Director of the Department of Waste Management, Commonwealth of Virginia, or by the Trustee and the Executive Director of the Department of Waste Management, Commonwealth of Virginia, if the Grantor ceases to exist.

Section 17. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 16, this Trust will be irrevocable and will continue until terminated at the written agreement of the Grantor, the Trustee, and the Executive Director of the Department of Waste Management, Commonwealth of Virginia, or by the Trustee and the Executive Director if the Grantor ceases to exist. Upon termination of the Trust, all remaining trust property, less final trust administration expenses, will be delivered to the Grantor.

Section 18. Immunity and Indemnification. The Trustee will not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor or the Executive Director of the Department of Waste Management, Commonwealth of Virginia, issued in accordance with this Agreement. The Trustee will be indemnified and saved harmless by the Grantor or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 19. Choice of Law. This Agreement will be administered, construed and enforced according to the laws of the Commonwealth of Virginia.

Section 20. Interpretation. As used in the Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each section of this Agreement will not affect the interpretation of the legal efficacy of this Agreement.

In witness whereof the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written. The parties below certify that the wording of this Agreement is identical to the wording specified in the relevant regulations of the Department of Waste Management, Commonwealth of Virginia.

(Signature of Grantor)

By: (Title)

Attest:
(Title)
(Seal)

(Signature of Trustee)

By
Attest:
(Title)
(Seal)

Certification of Acknowledgement:

COMMONWEALTH OF VIRGINIA

STATE OF

CITY/COUNTY OF

On this [date], before me personally came [owner or operator] to me known, who being by me duly sworn, did dispose and say that she/he resides at [address], that she/he is [title] of [corporation], the corporation described in and which executed the above instrument; that she/he knows the seal of said corporation; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she/he signed her/his name thereto by like order.

[Signature of Notary Public]

[Expiration Date]

Appendix 3.3.

GUIDELINES FOR SURETY BOND GUARANTEEING PERFORMANCE OF CLOSURE OR POST-CLOSURE.

A. An owner or operator may satisfy the requirements of this section by obtaining a surety bond which satisfies the requirements of this appendix and by submitting the original copy of the bond with the facility closure plan along with the permit application. Only bonds issued by surety companies licensed to operate as sureties in the Commonwealth of Virginia and approved by the Executive Director will satisfy the requirements of this section.

B. The surety bond form supplied by the Executive Director shall be used by the owner or operator and the surety.

C. The surety bond must name the disposal site operator or owner as the principal and name the Commonwealth of Virginia as the obligee.

D. The term of the bond shall be for the life of the disposal facility for which a permit is applied by the owner or operator through the closure period. A bond

Emergency Regulation

used for post-closure assurance shall extend through the post-closure period.

E. The bond must guarantee that the owner or operator will:

1. Perform final closure or post-closure in accordance with the closure or post-closure plan and other requirements in the permit for the facility; or
2. Perform final closure or post-closure following an order to begin closure or post-closure issued by the Executive Director or by a court, or following issuance of a notice of termination of the permit.

F. Provide alternate financial assurance as specified in this section within 60 days after receipt by the Executive Director of a notice of cancellation of the bond from the surety.

G. The surety will become liable on the bond obligation when the owner or operator fails to perform as guaranteed by the bond.

H. The penal sum of the bond must be in an amount at least equal to the amount of the closure or post-closure cost estimate. (See § 3.4. of these regulations.)

I. If upon renewal of the permit, the cost estimate increases to an amount greater than the amount of the penal sum of the bond, the owner or operator shall, within 60 days after the increase, cause the penal sum of the bond to be increased to an amount at least equal to the new estimate or obtain other financial assurance, as specified in this section, to cover the increase. Whenever the cost estimate decreases, the penal sum may be reduced to the amount of the cost estimate following written approval by the Executive Director. Notice of an increase or decrease in the penal sum must be sent to the Executive Director by certified mail within 60 days after the change.

J. The bond shall remain in force for its term unless the surety sends written notice of cancellation by certified mail to the owner or operator and to the Executive Director. Cancellation cannot occur, however:

1. During the 120 days beginning on the date of receipt of the notice of cancellation by the Executive Director as shown on the signed return receipt; or
2. While a compliance procedure is pending.

K. Following a determination that the owner or operator has failed to perform final closure or post-closure in accordance with the approved plan and other permit requirements when required to do so, the surety shall perform final closure in accordance with the terms of the bond, approved plan and other permit requirements or closure order. As an alternative to performing final closure or post-closure, the surety may forfeit the full amount of

the penal sum to the Commonwealth.

L. The owner or operator may cancel the bond if the Executive Director has given prior written consent based on receipt of evidence of alternative financial assurance as specified in this section.

M. The Executive Director will notify the surety if the owner or operator provides alternate financial assurance as specified in this section.

N. The surety will not be liable for deficiencies in the performance of closure by the owner or operator after the owner or operator has been notified by the Executive Director that the owner or operator is no longer required by this section to maintain financial assurance for closure of the facility.

O. In regard to closure or post-closure performed either by the owner or operator or the surety, proper final closure of a nonhazardous solid waste disposal site shall be deemed to have occurred when the Executive Director determines that final closure or post-closure has been completed. Such final closure shall be deemed to have been completed when the provisions of the site's approved plan have been executed and at the minimum, an acceptable final cover has been applied to all excavated trenches, pits, basins, and wastes; backfills have been returned to reasonably acceptable grades for the areas; leachate and erosion potential has been eliminated or minimized; and adequate revegetation of excavated and disturbed grounds and areas has been completed.

Appendix 3.4.

WORDING OF SURETY BOND GUARANTEEING PERFORMANCE OF CLOSURE OR POST-CLOSURE.

A surety bond guaranteeing performance of closure, as specified in § 3.5.B.2 of these Regulations, must be worded as follows, except that the instructions in brackets are to be replaced with the relevant information and the brackets deleted.

PERFORMANCE BOND FOR CLOSURE

Date bond executed:

Effective date:

Principal: (legal name and business address)

Type of organization: (insert "individual", "joint venture", "partnership", or "corporation")

State of incorporation:

Surety: (name and business address)

Name, address, identification number, if any, and closure cost estimate for the facility:

Penal sum of bond: \$....

Know all men by these present, That we, the Principal and Surety hereto are firmly bound to the Department of

Emergency Regulation

Waste Management, Commonwealth of Virginia, in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally.

Whereas, said Principal is required to have a permit from the Department of Waste Management, Commonwealth of Virginia, in order to own or operate the nonhazardous solid waste disposal facility identified above, and

Whereas, said Principal is required to provide financial assurance for closure of the facility as a condition of the permit,

Now, therefore the conditions of this obligation are such that if the Principal shall faithfully perform closure or post-closure of the facility identified above in accordance with the closure or post-closure plan submitted to receive said permit and other requirements of said permit as such plan and permit may be amended or renewed pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended,

Or, if the Principal shall faithfully perform closure or post-closure following an order to begin closure or post-closure issued by the Commonwealth of Virginia's Department of Waste Management or by a court, or following a notice of termination of the permit,

Or, if the Principal shall provide alternate financial assurance as specified in the Department's regulations within 90 days of the date notice of cancellation is received by the Executive Director of the Department of Waste Management, then this obligation will be null and void, otherwise it is to remain in full force and effect for the life of the disposal facility identified above.

The Surety shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by the Executive Director of the Department of Waste Management, Commonwealth of Virginia, that the Principal has been found in violation of the requirements of the Department's regulations, the Surety must either perform closure or post-closure in accordance with the approved plan and other permit requirements or forfeit the amount of the cost estimate to the Commonwealth of Virginia.

Upon notification by the Executive Director of the Department of Waste Management, Commonwealth of Virginia, that the Principal has been found in violation of an order to begin closure or post-closure, the Surety must either perform closure or post-closure in accordance with the closure order or forfeit the amount of the closure cost estimates to the Commonwealth of Virginia.

The Surety hereby agrees that amendments to the closure or post-closure plan, permit, applicable laws, statutes, rules and regulations shall in no way alleviate its obligation on this bond.

For purposes of this bond, final closure or post-closure shall be deemed to have been completed when the Executive Director of the Department of Waste Management, Commonwealth of Virginia, determines that the conditions of the approved plan have been met and, at the minimum, an acceptable final cover has been applied to all excavated trenches, pits, basins, and exposed wastes; backfills have been returned to reasonable grades for the area; leachate and erosion potential has been eliminated or minimized; and adequate revegetation of excavated and disturbed grounds and areas has been completed.

The liability of the Surety shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety hereunder exceed the amount of said penal sum.

The Surety may cancel the bond by sending written notice of cancellation to the owner or operator and to the Executive Director of the Department of Waste Management, Commonwealth of Virginia, provided, however, that cancellation cannot occur (1) during the 120 days beginning on the date of receipt of the notice of cancellation by the Executive Director as shown on the signed return receipt; or (2) while a compliance procedure is pending.

The Principal may terminate this bond by sending written notice to the Surety, provided, however, that no such notice shall become effective until the Surety receives written authorization for termination of the bond by the Executive Director of the Department of Waste Management, Commonwealth of Virginia.

In witness whereof, the Principal and Surety have executed this Performance Bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety and that the wording of this surety bond is identical to the wording specified in the relevant regulations of the Commonwealth of Virginia, Department of Waste Management.

Principal

Signature(s):
Name(s) and Title(s) (typed)

Corporate Surety

Name and Address:
State of Incorporation:
Liability Limit: \$.....
Signature(s):
Name(s) and Title(s) (typed)

Corporate Seal:

Appendix 3.5.

GUIDELINES FOR LETTER OF CREDIT.

A. An owner or operator of a nonhazardous solid waste disposal facility may satisfy the requirements of this section by obtaining an irrevocable standby letter of credit which satisfies the requirements of this appendix and by submitting the original copy of the letter of credit attached to the facility closure or post-closure plan along with the permit application. The letter of credit must be effective before the initial receipt of waste at the facility for which it is issued. The issuing institution must be a bank or other financial institution which has the authority to issue letters of credit and whose letter of credit operations are regulated and examined by the Commonwealth of Virginia.

B. The wording of the letter of credit must be identical to the wording specified in the Appendix 3.6.

C. The letter of credit must be irrevocable and issued for a period of at least one year. The letter of credit must provide that the expiration date will be automatically extended for a period of at least one year. If the issuing institution decides not to extend the letter of credit beyond the current expiration date it must, at least 120 days before the date, notify both the owner or operator and the Executive Director by certified mail of that decision. The 120 day period will begin on the date of receipt by the Executive Director as shown on the signed return receipt. Expiration cannot occur, however, while a compliance procedure is pending.

D. The letter of credit must be issued for at least the amount of the cost estimate (see § 3.4. of these regulations), except as provided in § 3.5. of these regulations.

E. Whenever the cost estimate increases to an amount greater than the amount of credit, the owner or operator shall, within 60 days of the increase, cause the amount of credit to be increased to an amount at least equal to the new estimate or obtain other financial assurance as specified in this section to cover the increase. Whenever the cost estimate decreases, the letter of credit may be reduced to the amount of the new estimate following written approval by the Executive Director. Notice of an increase or decrease in the amount of the credit shall be sent to the Executive Director by certified mail within 60 days of the change.

F. Following a determination that the owner or operator has failed to perform closure or post-closure in accordance with the approved plan or other permit requirements, the Executive Director will draw on the letter of credit.

G. The letter of credit no longer satisfies the requirements of this paragraph subsequent to the receipt by the Executive Director of a notice from the issuing institution that it has decided not to extend the letter of credit beyond the then current expiration date. Upon

receipt of such notice, the Executive Director shall issue an order of noncompliance with these regulations, unless the owner or operator of the site has demonstrated alternate financial assurance as specified in this appendix. Should the owner or operator not correct the violation by demonstrating such alternate financial assurance within 30 days of issuance of the compliance order, the Executive Director will draw on the letter of credit.

H. The Executive Director shall return the original letter of credit to the issuing institution for termination when:

1. The owner or operator substitutes alternate financial assurance for closure or post-closure as specified in this section; or
2. The Executive Director notifies the owner or operator, in accordance with § 3.5.D of these regulations that he is no longer required by this section to maintain financial assurance for closure or post-closure of the facility.

Appendix 3.6.

WORDING OF LETTER OF CREDIT.

A letter of credit as specified in § 3.5.B.3 of these regulations must be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted.

IRREVOCABLE STANDBY LETTER OF CREDIT

Executive Director
Department of Waste Management
Commonwealth of Virginia
11th Floor Monroe Building
101 N. 14th Street
Richmond, Virginia 23219

Dear Sir or Madam:

We hereby establish our Irrevocable Letter of Credit No. in favor of the Executive Director, Department of Waste Management, Commonwealth of Virginia, at the request and for the account of (owner's or operator's name and address) up to the aggregate amount of (in words) U.S. dollars \$....., available upon presentation of

1. your sight draft, bearing reference to this letter of credit No. together with
2. your signed statement declaring that the amount of the draft is payable pursuant to regulations issued under the authority of the Department of Waste Management, Commonwealth of Virginia.

The following amounts are included in the amount of this letter of credit: (Insert the facility identification number, if any, name and address, and the closure cost estimate, or portions thereof, for which financial assurance

Emergency Regulation

is demonstrated by this letter of credit.)

This letter of credit is effective as of (date) and will expire on (date at least one year later), but such expiration date will be automatically extended for a period of (at least one year) on (date) and on each successive expiration date, unless, at least 120 days before the current expiration date, we notify you and (owner or operator's name) by certified mail that we decide not to extend the Letter of Credit beyond the current expiration date. In the event you are so notified, unused portion of the credit will be available upon presentation of your sight draft for 120 days after the date of receipt by you as shown on the signed return receipt or while a compliance procedure is pending, whichever is later.

Whenever this letter of credit is drawn on under and in compliance with the terms of this credit, we will duly honor such draft upon presentation to us, and we will pay to you the amount of the draft promptly and directly.

I hereby certify that I am authorized to execute this letter of credit on behalf of (issuing institution) and that the wording of this letter of credit is identical to the wording specified in the relevant regulations of the Department of Waste Management, Commonwealth of Virginia.

Attest:

(Signature and title of official of issuing institution) (Date)

This credit is subject to (insert "the most recent edition of the Uniform Customs and Practice for Documentary Credits, published by the International Chamber of Commerce", of "the Uniform Commercial Code".)

Appendix 3.7.

GUIDELINES FOR DEPOSIT OF ACCEPTABLE COLLATERAL.

A. An owner or operator of a nonhazardous solid waste disposal facility may satisfy the requirements of this section, wholly or in part, by filing with the Executive Director a collateral bond payable to the Commonwealth of Virginia, conditioned so that the owner or operator shall comply with the closure or post-closure plan filed for the site. The amount of the bond shall be at least equal to the estimated closure or post-closure cost of the site for which the permit application has been filed or any part thereof not covered by other financial responsibility instruments. Liability of such bond shall be for the term of the permit or until proper final closure or post-closure of the site is completed, whichever comes first. Such bond shall be executed by the owner or operator after depositing with the Executive Director acceptable collateral, the market value of which shall be at least equal to the total estimated closure or post-closure cost or any part thereof not covered by other financial responsibility instruments.

B. Acceptable collateral may include certificates of deposit, negotiable bonds of the United States Government, the Commonwealth of Virginia or any of its agencies, any government authority within the Commonwealth of Virginia, or any county, municipality or other local bond issuing authority within the Commonwealth of Virginia approved as acceptable for financial responsibility purposes by the Executive Director.

C. The Executive Director shall, upon receipt of any such collateral, place the instrument(s) with the State Treasurer to be held in the name of the Commonwealth of Virginia, in trust, for the purposes for which such deposit is made.

D. The owner or operator shall be entitled to demand, receive and recover the interest and income from said instrument(s) as it becomes due and payable as long as the market value of the instrument(s) plus any other mechanisms used continue to at least equal the amount of the estimated closing cost.

E. The owner or operator shall also be permitted to replace the collateral instruments with other like instruments of at least equal market value upon proper notification to the Executive Director and the State Treasurer.

F. In the event of failure of the owner or operator to comply with the final closure or post-closure plan, the Executive Director shall declare said collateral forfeited and shall request the State Treasurer to convert said collateral into cash and transfer such funds to the Executive Director to be used for final closure purposes.

Appendix 3.8.

GUIDELINES FOR FINANCIAL TEST AND CORPORATE GUARANTEE FOR FINANCIAL ASSURANCE AND LIABILITY COVERAGE.

A. An owner or operator may satisfy the requirements for financial assurance by demonstrating that he passes a financial test as specified in this appendix. To pass this test the owner or operator shall meet the criteria in either 1 or 2 below:

1. The owner or operator shall have:

a. Two of the following three ratios: a ratio of total liabilities to net worth less than 2.0; a ratio of the sum of net income plus depreciation, and amortization to total liabilities greater than 0.1; and a ratio of current assets to current liabilities greater than 1.5; and

b. Net working capital and tangible net worth each at least six times the sum of the current closure and post-closure cost estimates; and

c. Tangible net worth of at least \$10 million; and

Emergency Regulation

d. Assesses in the United States amounting to at least 90% of his total assets or at least six times the sum of the current closure and post-closure cost estimates.

2. The owner or operator shall have:

a. A current rating for his most recent bond issuance of AAA, AA, A, or BBB as issued by Standard and Poor's or Aaa, Aa, A, or Baa as issued by Moody's; and

b. Tangible net worth at least six times the sum of the current closure and post-closure cost estimates or a Bond rating of AA for Standard and Poor's or Aa for Moody's and a tangible net worth of two times the sum of the current closure and post-closure cost estimates; and

c. Tangible net worth of at least \$10 million; and

d. Assets located in the United States amounting to at least 90% of his total assets or at least six times the sum of the current closure and post-closure cost estimates.

B. To demonstrate that he meets this test, the owner or operator shall submit the following items to the Executive Director;

1. A letter signed by the owner's or operator's chief financial officer and worded as specified in Appendix 3.9 for closure and post-closure financial assurance or Appendix 3.11 for liability coverage. A separate letter is required for closure and post-closure and for assuring liability coverage.

2. A copy of the independent certified public accountant's report on examination of the owner's or operator's financial statement for the latest completed fiscal year; and

3. A special report from the owner's or operator's independent certified public accountant to the owner or operator stating that:

a. He has compared the data which the letter from the chief financial officer specifies as having been derived from an independently audited, year-end financial statement for the latest fiscal year with the amounts in such financial statements; and

b. In connection with that procedure, no matters came to his attention which caused him to believe that the specified data should be adjusted.

C. An owner or operator of a new facility shall submit the items specified to the Executive Director at least 60 days before the date on which solid waste is first received for treatment, storage, or disposal.

D. After the initial submission of items specified in B, the owner or operator shall send updated information to the Executive Director within 90 days after the close of each succeeding fiscal year. This information shall consist of all three items specified in B.

E. If the owner or operator no longer meets the requirements of A, he shall send notice to the Executive Director of intent to establish alternate financial assurance as specified in this part. The notice shall be sent by certified mail within 90 days after the end of the fiscal year for which the year-end financial data show that the owner or operator no longer meets the requirements. The owner or operator shall provide the alternate financial assurance within 120 days after the end of such fiscal year.

F. The Executive Director may, based on a reasonable belief that the owner or operator may no longer meet the requirement of A, require reports of financial condition at any time from the owner or operator in addition to those specified in B. If the Executive Director finds, on the basis of such reports or other information, that the owner or operator no longer meets the requirements of A, the owner or operator shall provide alternate financial assurance as specified in this part within 30 days after notification of such a finding.

G. The Executive Director may disallow use of this test on the basis of qualifications in the opinion expressed by the independent certified public accountant in his report on examination of the owner's or operator's financial statements (see B.2). An adverse opinion or a disclaimer of opinion will be cause for disallowance. The Executive Director will evaluate other qualifications on an individual basis. The owner or operator shall provide alternate financial assurance as specified in this part within 30 days after notification of the disallowance.

H. During the period of post-closure care, the Executive Director may approve a decrease in the current post-closure cost estimate for which this test demonstrates financial assurance if the owner or operator demonstrates to the Executive Director that the amount of the cost estimate exceeds the remaining cost of the post-closure care.

I. The owner or operator is no longer required to submit the items specified in B when:

1. An owner or operator substitutes alternate financial assurance as specified in this part; or

2. The Executive Director releases the owner or operator from the requirements of this part.

J. Release of the owner or operator from the requirements of this appendix within 60 days after receiving certification from the owner or operator and an independent registered professional engineer that closure has been accomplished in accordance with the closure

Emergency Regulation

plan. The Executive Director will notify the owner or operator in writing that he is no longer required by this appendix to maintain financial assurance for closure of the particular facility, unless the Executive Director has reason to believe that closure has not been in accordance with the closure plan.

K. An owner or operator may meet the requirements of this appendix by obtaining a written guarantee, hereafter referred to as "corporate guarantee". The guarantor shall be the parent corporation of the owner or operator. The guarantor shall meet the requirements for owners or operators in A through G and shall comply with the terms of the corporate guarantee. The wording of the corporate guarantee shall be identical to the wording specified in Appendix 3.10. The corporate guarantee shall accompany the items sent to the Executive Director as specified in B. The terms of the corporate guarantee shall provide that:

1. If the owner or operator fails to perform final closure or post-closure of a facility covered by the corporate guarantee in accordance with the closure plan or post-closure plan and other interim status requirements whenever required to do so, the guarantor will do so or establish a trust fund as specified in Appendices 3.1 and 3.2 in the name of the owner and operator.

2. The corporate guarantee will remain in force unless the guarantor sends notice of cancellation by certified mail to the owner or operator and to the Executive Director. Cancellation may not occur, however, during the 120 days beginning on the date of receipt of the notice of cancellation by both the owner or operator and the Executive Director, as evidenced by the return receipts.

3. If the owner or operator fails to provide alternate financial assurance as specified in this part and obtain the written approval of such alternate assurance from the Executive Director within 90 days after the receipt by both the owner or operator and the Executive Director of a notice of cancellation of the corporate guarantee from the guarantor, the guarantor will provide such alternate financial assurance in the name of the owner or operator.

Appendix 3.9.

WORDING OF LETTER FROM CHIEF FINANCIAL OFFICER FOR CLOSURE AND POST-CLOSURE FINANCIAL ASSURANCE.

NOTE: Instructions in brackets are to be replaced with the relevant information and the brackets removed.

Executive Director
Department of Waste Management
101 N. 14th Street, 11th Floor
Richmond, Virginia 23219

Dear [Sir, Madam]:

I am the chief financial officer of [name and address of firm]. This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in § 3.5 of the Solid Waste Financial Assurance Regulations.

[Fill out the following four paragraphs regarding facilities and associated cost estimates. If your firm has no facilities that belong in a particular paragraph, write "None" in the space indicated. For each facility, include its name, address, and current closure and/or post-closure cost estimates. Identify each cost estimate as to whether it is for closure or post-closure care.]

1. This firm is the owner or operator of the following facilities for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in Appendix 3.8 of the regulations. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:

.....

2. This firm guarantees, through the corporate guarantee specified in Appendix 3.8 of the regulations, the closure or post-closure care of the following facilities owned or operated by subsidiaries of this firm. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility:

.....

3. This firm, as owner or operator or guarantor, is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a financial test. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility:

.....

4. This firm is the owner or operator of the following solid waste management facilities for which financial assurance for closure and post-closure care is not demonstrated through the financial test or any other financial assurance mechanism. The current closure and/or post-closure cost estimates for the facilities which are not covered by such financial assurance are shown for each facility:

.....

This firm [insert "is required" or "is not required"] to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on [month, day]. The figures for the following items marked with an asterisk

Emergency Regulation

are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended [date].

[Fill in Alternative I if the criteria of Appendix 3.8.A.1 are used. Fill in Alternative II if the criteria of Appendix 3.8.A.2 are used.]

ALTERNATIVE I.

(1) Sum of current closure and post-closure cost estimates [total of all cost estimates shown in the four paragraphs above.] \$.....

(*2) Total liabilities [if any portion of the closure or post-closure cost estimates is included in total liabilities, you may deduct the amount of that portion from this line and add that amount to lines 3 and 4.] \$.....

(*3) Tangible net worth \$.....

(*4) New worth \$.....

(*5) Current assets \$.....

(*6) Current liabilities \$.....

(7) New working capital [line 5 minus line 6]. \$.....

(*8) The sum of net income plus depreciation, depletion, and amortization. \$.....

(*9) Total assets in U.S. (required only if less than 90% of firm's assets are located in the U.S.). \$.....

YES NO

(10) Is line 3 at least \$10 million?

(11) Is line 3 at least 6 times line 1?

(12) Is line 7 at least 6 times line 1?

(*13) Are at least 90% of firm's assets located in the U.S.? If not, complete line 14.

(14) Is line 9 at least 6 times line 1?

(15) Is line 2 divided by line 4 less than 2.0?

(16) Is line 8 divided by line 2 greater than 0.1?

(17) Is line 5 divided by line 6 greater than 1.5?

ALTERNATIVE II.

(1) Sum of current closure and post-closure cost estimates [total of all cost estimates shown in the four paragraphs above]. \$.....

(2) Current bond rating of most recent issuance of this

firm and name of rating service \$.....

(3) Date of issuance of bond. \$.....

(4) Date of maturity of bond. \$.....

(*5) Tangible net worth [If any portion of the closure and post-closure cost estimates if included in "Total Liabilities" on your firm's financial statements, you may add the amount of that portion to this line.] \$.....

(*6) Total assets in U.S. (required only if less than 90% of firm's assets are located in the U.S.) \$.....

YES NO

(*7) Is line 5 at least \$10 million?

(8) Is line 5 at least 6 times line 1?

(*9) Are at least 90% of firm's assets located in the U.S.? If not, complete line 10.

(10) Is line 6 at least 6 times line 1?

I hereby certify that the wording of this letter is identical to the wording specified in Appendix 3.8 of the Regulations as such regulations were constituted on the date shown immediately below.

[Signature]

[Name]

[Title]

[Date]

Appendix 3.10.

WORDING OF CORPORATE GUARANTEE FOR CLOSURE OR POST-CLOSURE CARE.

NOTE: Instructions in brackets are to be replaced with the relevant information and the brackets removed.

CORPORATE GUARANTEE FOR CLOSURE OR POST-CLOSURE CARE.

Guarantee made this [date] by [name of guaranteeing entity], a business corporation organized under the laws of the state of [insert name of state], herein referred to as guarantor, to the Virginia Department of Waste Management ("Department"), obligee, on behalf of our subsidiary [owner or operator] of [business address].

Recitals

1. Guarantor meets or exceeds the financial test criteria and agrees to comply with the reporting requirements for guarantors as specified in Appendix 3.8.

Emergency Regulation

2. [Owner or operator] owns or operates the following solid waste management facility(ies) covered by this guarantee: [List for each facility: name, and address. Indicate for each whether guarantee is for closure, post-closure care, or both.]

3. "Closure plans" and "post-closure plans" as used below refer to the plans maintained as required by § [3.5] of the Regulations.

4. For value received from [owner or operator], guarantor guarantees to the Department that in the event that [owner or operator] fails to perform [insert "closure", "post-closure care", or "closure and post-closure care"] of the above facility(ies) in accordance with the closure or post-closure plans and other [permit or interim status] requirements whenever required to do so, the guarantor shall do so or establish a trust fund as specified in § 3.5 of the Regulations in the name of [owner or operator] in the amount of the current closure or post-closure cost estimates as specified in § [3.4].

5. Guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, the guarantor fails to meet the financial test criteria, guarantor shall send within 90 days, by certified mail, notice to the Executive Director and to [owner or operator] that he intends to provide alternate financial assurance as specified in § [3.5] of the Regulations, in the name of [owner or operator]. Within 120 days after the end of such fiscal year, the guarantor shall establish such financial assurance unless [owner or operator] has done so.

6. The guarantor agrees to notify the Executive Director by certified mail, of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming guarantor as debtor, within 10 days after commencement of the proceeding.

7. Guarantor agrees that within 30 days after being notified by the Executive Director of a determination that guarantor no longer meets the financial test criteria or that he is disallowed from continuing as a guarantor of closure or post-closure care, he shall establish alternate financial assurance as specified in § [3.5] of the Regulations, in the name of [owner or operator] unless [owner or operator] has done so.

8. Guarantor agrees to remain bound under this guarantee notwithstanding any or all of the following: amendment or modification of the closure or post-closure plan, amendment or modification of the closure or post-closure plan, amendment or modification of the permit, the extension or reduction of the time of performance of closure or post-closure.

9. Guarantor agrees to remain bound under this guarantee for so long as [owner or operator] shall comply with the applicable financial assurance requirements of § 3.5 for the above-listed facilities, except that guarantor may cancel this guarantee by sending notice by certified mail

to the Executive Director and to [owner or operator], such cancellation to become effective no earlier than 120 days after receipt of such notice by both the Department and [owner or operator], as evidenced by the return receipts.

10. Guarantor agrees that if [owner or operator] fails to provide alternate financial assurance as specified in § 3.5 of the Regulations, and obtain written approval of such assurance from the Executive Director within 90 days after a notice of cancellation by the guarantor is received by the Executive Director from guarantor, guarantor shall provide such alternate financial assurance in the name of [owner or operator].

11. Guarantor expressly waives notice of acceptance of this guarantee by the Department or by [owner or operator]. Guarantor also expressly waives notice of amendments or modifications of the closure and/or post-closure plan and of amendments or modifications of the facility permit(s).

I hereby certify that the wording of this guarantee is identical to the wording specified in Appendix 3.10 of the Regulations as such regulations were constituted on the date first above written.

Effective date:

[Name of guarantor]

[Authorized signature for guarantor]

[Name of person signing]

[Title of person signing]

Signature of witness or notary:

Appendix 3.11.

WORDING OF THE LETTER FROM CHIEF FINANCIAL OFFICER FOR LIABILITY COVERAGE.

Executive Director
Department of Waste Management
101 N. 14th Street, 11th Floor
Richmond, VA 23219

Dear [Sir, Madam]:

I am the chief financial officer of [owner's or operator's name and address]. This letter is in support of the use of the financial test to demonstrate financial responsibility for liability coverage [insert "and closure and/or post-closure care" if applicable] as specified in § [3.6] of the Virginia Solid Waste Financial Assurance Regulations.

[Fill out the following paragraph regarding facilities and liability coverage. For each facility, include its name and address.]

Emergency Regulation

The owner or operator identified above is the owner or operator of the following facilities for which liability coverage is being demonstrated through the financial test specified in § [3.6].

[If you are using the financial test to demonstrate coverage of both liability and closure and post-closure care, fill in the following four paragraphs regarding facilities and associated closure and post-closure cost estimates. If there are not facilities that belong in a particular paragraph, write "None" in the space indicated. For each facility, include its name, address, and current closure and/or post-closure care.]

1. The owner or operator identified above owns or operates the following facilities for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in § [3.5] of the Virginia Solid Waste Financial Assurance Regulations. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:

.....

2. The owner or operator identified above guarantees, through the corporate guarantee specified in § [3.5] of the Virginia Solid Waste Financial Assurance Regulations, the closure and post-closure care of the following facilities owned or operated by its subsidiaries. The current cost estimates for the closure and post-closure care so guaranteed are shown for each facility:

.....

3. This owner or operator is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of financial test. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility:

.....

4. The owner or operator identified above owns or operates the following hazardous waste management facilities. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility:

.....

This owner or operator [insert "is required" or "is not required"] to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this owner or operator ends on [month, day]. The figures for the following items marked with the asterisk are derived from this owner's or operator's independently audited, year-end financial statements for the latest completed fiscal year ended

[date].

[Fill in part A if you are using the financial test to demonstrate coverage only for the liability requirements.]

Part A. Liability Coverage for Accidental Occurrences.

[Fill in Alternative I if the criteria of Appendix 3.8.A.1 are used. Fill in Alternative II if the criteria of Appendix 3.8.A.2 are used.]

ALTERNATIVE I.

(1) Amount of annual aggregate liability coverage to be demonstrated. \$.....
(*2) Current Assets. \$.....
(*3) Current Liabilities. \$.....
(4) Net working capital (line 2 minus line 3). \$.....
(*5) Tangible net worth. \$.....

(*6) If less than 90% of assets are located in the U.S., give total U.S. assets. \$.....

YES NO

(7) Is line 5 at least \$10 million?
(8) Is line 4 at least 6 times line 1?
(9) Is line 5 at least 6 times line 1?
(*10) Are at least 90% of assets located in the U.S.? If not, complete 11.
(11) Is line 6 at least 6 times line 1?

ALTERNATIVE II.

(1) Amount of annual aggregate liability coverage to be demonstrated. \$.....
(2) Current bond rating of most recent issuance and name of rating service. \$.....
(3) Date of issuance of bond. \$.....
(4) Date of maturity of bond. \$.....
(*5) Tangible net worth. \$.....

(*6) Total assets in U.S. (required only if less than 90% of assets are located in the U.S.) \$.....

YES NO

(7) Is line 5 at least \$10 million?

Emergency Regulation

(8) Is line 5 at least 6 times line 1?

(*9) Are at least 90% of assets located in the U.S.? If not, complete line 10.

(10) Is line 6 at least 6 times line 1?

[Fill in part B if you are using the financial test to demonstrate assurance of both liability coverage and closure or post-closure care.]

Part B.

Closure or Post-Closure Care and Liability Coverage.

[Fill in Alternative I if the criteria of Appendix 3.8.A.1 are used. Fill in Alternative II if the criteria of Appendix 3.8.A.2 are used.]

ALTERNATIVE I.

(1) Sum of current and post-closure cost estimates (total of all cost estimates listed above). \$.....

(2) Amount of annual aggregate liability coverage to be demonstrated. \$.....

(3) Sum of lines 1 and 2. \$.....

(*4) Total liabilities (if any portion of your closure or post-closure cost estimates is included in your total liabilities, you may deduct that portion from this line and add that amount to lines 5 and 6). \$.....

(*5) Tangible net worth. \$.....

(*6) Net worth. \$.....

(*7) Current Assets. \$.....

(*8) Current Liabilities. \$.....

(9) Net working capital (line 7 minus line 8). \$.....

(*10) The sum of net income plus depreciation, depletion, and amortization. \$.....

(*11) Total assets in U.S. (required only if less than 90% of assets are located in the U.S.) \$.....

YES NO

(12) Is line 5 at least \$10 million?

(13) Is line 5 at least 6 times line 3?

(14) Is line 9 at least 6 times line 3?

(*15) Are at least 90% of assets located in the U.S.? If not, complete line 16.

(16) Is line 11 at least 6 times line 3?

(17) Is line 4 divided by line 6 less than 2.0?

(18) Is line 10 divided by line 4 greater than 0.1?

(19) Is line 7 divided by line 8 greater than 1.5?

ALTERNATIVE II.

(1) Sum of current and post-closure cost estimates (total of all cost estimates listed above). \$.....

(2) Amount of annual aggregate liability coverage to be demonstrated. \$.....

(3) Sum of lines 1 and 2. \$.....

(4) Current bond rating of most recent issuance and name of rating service. \$.....

(5) Date of issuance of bond. \$.....

(6) Date of maturity of bond. \$.....

(*7) Tangible net worth (if any portion of the closure or post-closure cost estimates is included in "total liabilities" on your financial statements you may add that portion to this line). \$.....

(*8) Total assets in the U.S. (required only if less than 90% of assets are located in the U.S.) \$.....

YES NO

(9) Is line 7 at least \$10 million?

(10) Is line 7 at least 6 times line 3?

(*11) Are at least 90% of assets located in the U.S.? If not, complete line 12.

(12) Is line 8 at least 6 times line 3?

I hereby certify that the wording of this letter is identical to the wording specified in Appendix 3.11 of the Virginia Solid Waste Financial Assurance Regulations as such regulations were constituted on the date shown immediately below.

[Signature]

[Name]

[Title]

[Date]

STATE CORPORATION COMMISSION

STATE CORPORATION COMMISSION
Bureau of Insurance

April 16, 1987

Administrative Letter 1987-6

TO: All companies Licensed in Virginia for Liability
Insurance Other Than Auto.

In late 1985, in response to deteriorating market conditions for certain classes of general liability insurance, the State Corporation Commission, Bureau of Insurance with the assistance of the insurance industry established a Market Assistance Program in an attempt to ease the availability crises. The Plan became operational in January of 1986.

Since the inception of the Virginia Market Assistance Plan, a total of 76 applications has been received. Twenty-eight of these applications resulted in quotations from companies which agreed to serve the Market Assistance Plan and half of these were written. In 15 of the 76 applications, insurance was obtained elsewhere. Nineteen of the 76 were declined and another 10 were rejected by the Market Assistance Plan as being ineligible.

Since November of 1986, no new applications to the Market Assistance Plan have been received. It is generally perceived that the markets in question have loosened or alternative mechanisms have developed which have greatly alleviated the availability problems for the four lines eligible for the Virginia Market Assistance Plan; namely, Municipal Liability Insurance, Products Liability for Small Businesses, Liquor Law liability, and Daycare Liability. It appears that the availability of group self insurance for liability for municipalities has provided an alternative to these entities and the issue in regard to the daycare centers now seems to be one of affordability rather than availability. Further, it appears that Liquor Law Liability and Products Liability insurance is more available in the market.

Due to these developments, it appears that the Virginia Market Assistance Plan has served its purpose. The Executive Committee of the Market Assistance Plan in accordance with the rules established by the Plan, has requested me to dissolve the Market Assistance Plan at this time. After considering all the factors involved, I have agreed to dissolve the Plan and discharge the members of the various committees with thanks for their extensive and extremely beneficial contributions to Virginia consumers. The Plan served to identify those areas where availability did exist in reduced quantities and did help certain individuals access these diminished markets. It also provided useful information concerning the depth of the availability problem and helped us to determine that the real focus, at least for the lines in question, was one of affordability rather than availability.

I am therefore notifying you of the dissolution of the

Virginia Market Assistance Plan. It is entirely possible that sometime in the future it may be necessary to develop another Market Assistance Plan, but it is anticipated that it may address entirely different lines of insurance and under different conditions and therefore a new Plan would be developed rather than continuing this particular Plan as currently constituted.

To those companies who participated in the Plan, and there were only 20 or so who did, the Bureau of Insurance and the State Corporation Commission is truly grateful for your assistance and willingness to cooperate. For those who chose not to help for one reason or another, it is my hope that should such a program be necessary in the future, you will be encouraged by the success of this Market Assistance Plan and lend your considerable talents to solving the availability problems for Virginia consumers.

/s/ Steven T. Foster
Commissioner of Insurance

* * * * *

Bureau of Insurance

April 30, 1987

Administrative Letter 1987-7

TO: All Insurance Companies, Prepaid Health Care Plans,
and Health Maintenance Organizations

RE: Legislation enacted by the 1987 Session of the General
Assembly of Virginia

Attached are summaries of certain statutes enacted or amended and reenacted by the General Assembly of Virginia during the 1987 Session.

The effective date of these statutes is July 1, 1987 EXCEPT as otherwise indicated in the attachment.

Each organization to which this letter is being sent should review the attachment carefully and see that notice of these laws is directed to the proper persons (including its licensed representatives) to insure that appropriate action is taken to effect compliance with these new legal requirements. Please note that this document is a summary of legislation and is neither a legal review and interpretation nor a full description of legislative amendments made to insurance-related laws during the 1987 Session. Each organization is responsible for legal review of the statutes pertinent to its operations.

/s/ Steven T. Foster
Commissioner of Insurance

Summary of 1987 Insurance Legislation
Commonwealth of Virginia

State Corporation Commission

(All Bills Effective July 1, 1987 Unless Otherwise Noted)

PROPERTY AND CASUALTY INSURANCE

Senate Bill 158

Requirement for lenders to accept binders as evidence of insurance

This bill amends the Insurance Code by adding § 38.2-205.1 providing that a lender engaged in making loans on one to four family residences cannot unreasonably refuse to accept temporary insurance contracts (binders) as evidence that the property is insured.

Senate Bill 441

Recovery of damages for loss of use of vehicle

This bill amends § 8.01-66 of the Civil Remedies Code, relating to the recovery of damages for loss of use of a motor vehicle, by deleting "per diem" in reference to the cost of hiring a comparable substitute vehicle. This is a correction of an omission from a bill passed by the 1986 General Assembly. Companies will again be required to pay the full reasonable cost of the substitute vehicle including mileage charges.

Senate Bill 618

Medical Malpractice J.U.A.

This bill amends the provisions of the Medical Malpractice Joint Underwriting Association in Chapter 28 of the Insurance Code. The bill eliminates the requirement that the medical malpractice J.U.A. be totally self-supporting and reduces the stabilization reserve fund charge from one-half to one-third of the premium. Under this bill, only the preliminary organizational assessments would be returned to the member insurers upon dissolution of the J.U.A. While the retrospective rating plan would continue, the amount of money in the stabilization reserve fund would constitute a cap on retrospective premium charges. Any deficiency would be covered by member insurers which in turn would recover such costs through a credit on premium taxes.

Senate Bill 620

Medical Malpractice J.U.A. - Stabilization Reserve Fund

This bill amends § 38.2-2807 of the Insurance Code by changing certain provisions relating to the J.U.A.'s stabilization reserve fund. The bill provides for monies in the fund to be held in a separate restricted cash account under the sole control of an independent fund manager instead of being held in trust by a corporate trustee. The bill also allows the monies in the fund to be used for the purpose of reimbursing the association for expenses, taxes, licenses, and fees which are allocable to the stabilization reserve fund as well as for paying any retrospective

premium charges due.

House Bill 731

Virginia Insurance Guaranty Association

This bill amends the provisions of the Virginia Property and Casualty Insurance Guaranty Association to make that chapter of the Insurance Code (Chapter 16) generally consistent with the revised NAIC Model. Two amendments to the NAIC model are not included in this bill. First, claims for unearned premiums are not limited to \$10,000 as they are in the NAIC model. Second, the deductible for unearned premiums is not increased to \$100 as it was in the NAIC Model. This bill also amends the definition of "covered claim" to now include subrogation claims within that definition.

The major NAIC model changes that are in this bill include:

(1) Financial guaranty insurance products and credit enhancements are excluded from coverage.

(2) "Covered claims" shall not include punitive damages, or return of premium under any retrospective rating plan.

(3) The Association shall have the right to recover the amount of any covered claim paid by the Association to any person who has a net worth in excess of \$50 million. Such recovery shall also apply to affiliates of the insolvent insurer.

(4) Persons will have to exhaust their recovery rights under any governmental insurance or guaranty program before seeking recovery from the Association and the Association's liability shall be reduced by the amount of such other recovery.

(5) The Association's obligation to inform the Commission of insurers that may be insolvent is eliminated. In its place, the Association would not be able to "(i) make recommendations to the Commission for the detection and prevention of insurer insolvencies, and (ii) respond to requests by the Commission to discuss and make recommendations regarding the status of any member insurer whose financial condition may be hazardous to the policyholders or the public."

House Bill 1125

Liability insurance in motor vehicles

This bill amends § 38.2-2205 of the Insurance Code by adding a provision which provides that the collision coverage provided to a named insured, in connection with the business of selling, leasing, repairing, servicing, storing or parking motor vehicles, shall in certain cases include persons other than the named insured and his employees as additional insureds when such other persons have no other valid and collectible insurance unless, in the case of

a leased vehicle, such person receives written disclosure warning that coverage is not provided.

House Bill 1128

Unfair claims settlement practices on self-insured taxicab owners

This bill amends Title 56, the Public Service Companies Code by adding new § 56-303.1 which makes certain provisions of the Unfair Claim Settlement Practices Act applicable to self-insured motor carriers. The failure to comply with these provisions may result in the revocation or suspension of the carrier's certificate or permit.

House Bill 1130

Regulation of taxicabs in localities

This bill amends § 56-291.3:7 of the Public Service Companies Code by specifying that any local ordinances or regulations imposed on taxicab operators shall not impose regulatory requirements relating to unfair discrimination beyond those set forth in § 56-303.1 or the financial requirements for being self-insured beyond those set forth in § 56-299. This bill also provides that it shall not affect or control the authority of local governments to establish liability insurance requirements for self-insurance programs.

House Bill 1234

Claim reporting

This bill amends the Insurance Code by adding § 38.2-2228.1 which requires all liability claims for personal injury or property damage made against policies insuring commercial entities to be reported to the Commission. The reports shall be on forms prescribed by the Commission and shall include:

1. Claims by the type of coverage;
2. The amount of all reserves established in connection with such claims and all adjustments thereto, updated on a quarterly basis until final settlement or judgment;
3. The amount paid by the insurer in satisfaction of the settlement or judgment;
4. The total number of claims and the average amount of each claim;
5. Attorney's fees and expenses paid by the insurer in connection with such claim or defense to the extent these amounts are known; and
6. Any other relevant information which the Commission may require that is consistent with the provision of the bill.

Rate service organizations designated by the Commission may file the claim report for individual companies. The term "commercial entity" is defined to include sole proprietorships, corporations, unincorporated associations, the Commonwealth, and various local governing bodies. The Commission may also require the filing of individual claim information in addition to the aggregated reports.

Additional information on the regulatory requirements pursuant to HB 1234 will be forthcoming.

House Bill 1235

Cancellation, nonrenewal, reduction in coverage

This bill amends § 38.2-231 of the Insurance Code by requiring insurers of certain commercial insurance policies to provide written notice of reduction in liability coverage for personal injury or property damage (including policies which contain as a part thereof personal injury or property damage coverage) as well as notice for an increase in the rate for such coverage of more than 25%. Notice of such reduction of coverage or rate increase must be given at least 45 days prior to its effective date and must comply with similar types of provisions required for cancellations and nonrenewals. However, the provisions relating to a reduction in coverage only apply when the rates for such coverage are subject to § 38.2-1912. The bill also permits the Commission to order an insurer to pay the insured any overpayment of premium if the Commission finds that the notice was not proper. Section 38.2-231 is amended to state that if the insurer does not give proper notice, coverage will remain in effect until 45 days after notice is mailed or delivered unless the insured obtains a replacement policy or agrees to cancel sooner. If the insured accepts the changed policy, the reduction in coverage or rate increase shall take effect on the day after expiration or the day after acceptance of the change whichever is later. Finally, a one-year records retention provision has been added.

The notice requirement is waived in certain situations where the insurer cannot obtain sufficient information to provide notice or if the notice is waived by the insured. This requirement also does not apply to reduction in coverage for an entire line or class of business.

The provisions of § 38.2-231 were also amended to clarify that the requirements relating to notice of cancellation or refusal to renew also now apply to policies which contain as a part thereof personal injury or property damage coverage.

The bill also amends § 38.2-1904 by requiring rates to consider Virginia loss experience as long as it is relevant and actuarially sound. Other data may be used when it is considered relevant and actuarially sound. In addition to considerations including past and prospective loss experience and expenses, separate consideration is also to be given to the loss reserving practices, standards, and procedures utilized by the insurer. Investment income

State Corporation Commission

from all sources, including surplus, is also to be taken into consideration. Section 38.2-1904 is also amended to allow the Commission to consider estimates when actual experience or data does not exist.

Section 38.2-1905.1 has been added which requires the Commission to submit an annual report to the General Assembly (with a copy to the Attorney General's office) to indicate both the level of competition among insurers for lines or sublines of insurance defined in §§ 38.2-117 and 38.2-118 (including combination policies) insuring a commercial entity and the availability and affordability of those lines or sublines. The Commission is to indicate the lines or subclassifications where competition does not appear to be an effective regulator of rates. The Commission is to then hold hearings on those lines or subclassifications to determine whether competition is, in fact, an effective regulator of rates for those particular lines or subclassifications. In making this determination the Commission may consider such factors as the number of insurers actually writing the line or subclassification and their respective market shares, the ease of entry into the market, the extent of rate differentials among insurers writing the line or subclassification, and whether there is a pattern of excessive rates relative to losses, expenses, and investment income.

Section 38.2-1905.2 is also added which requires insurers who write commercial liability coverage (including combination policies) to file supplemental reports on any line or subclassification designated in the annual report required under new § 38.2-1905.1. Designation in the annual report is conditioned on there being a reasonable cause to believe that competition may not be an effective regulator of rates. The supplemental reports shall be on a form prescribed by the Commission and may include at the direction of the Commission:

1. Number of exposures;
2. Direct premiums written;
3. Direct premiums earned;
4. Direct losses paid identified by such period as the Commission may require;
5. Number of claims paid;
6. Direct losses incurred during the year, direct losses incurred during the year which occurred and were paid during the year, and direct losses incurred during the year which were reported during the year but were not yet paid;
7. Any loss development factor used and supporting data thereon;
8. Number of claims unpaid; and
9. Such other relevant information as may be required by

the Commission.

Section 38.2-1906 is amended to clarify that where the Commission has found, after hearing, that competition is not an effective regulator of rates, the provision of § 38.2-1912 shall be in force. Additionally, if § 38.2-1912 is in force, specific supporting information must be filed with every proposed rate revision. This information shall be on a form prescribed by the Commission and may include:

1. Number of exposures;
2. Direct premiums written;
3. Direct premiums earned;
4. Direct losses paid identified by such period as the Commission may require;
5. Number of claims paid;
6. Direct losses incurred during the year, direct losses incurred during the year which occurred and were paid during the year, and direct losses incurred during the year which were reported during the year but were not paid;
7. Any loss development factor used and supporting data thereon;
8. Number of claims unpaid;
9. Loss adjustment expenses paid identified by such period as the Commission may require;
10. Loss adjustment expenses incurred during the year, loss adjustment expenses incurred during the year for losses which occurred and were paid during the year, and loss adjustment expenses incurred during the year for losses which were reported during the year but were not paid;
11. Other expenses incurred, separately by category of expense, excluding loss adjustment expenses;
12. Investment income on assets related to reserve and allocated surplus accounts;
13. Total return on allocated surplus;
14. Any loss trend factor used and supporting data thereon; and
15. Any expense trend factor used and supporting data thereon; and
16. Such other information as may be required by rule of the Commission, including statewide rate information presented separately for Virginia and each state wherein the insurer writes the line, subline or rating classification for which the rate filing is made and which the Commission deems necessary for its consideration.

State Corporation Commission

Section 38.2-1908 is amended to provide that the supporting information required under subsection A1 of § 38.2-1906 must be filed with the Commission when an insurer files a modification to increase the rate charged under a rate service organization's filing if such filing is subject to the 60-day prefiling requirement set forth in § 38.2-1912. When an insurer files a modification to decrease the rate charged under such filing, the Commission shall determine what additional information shall be required.

Section 38.2-1909 is amended to allow the Commission, when it reviews rates, to consider whether the loss experience and other factors within the Commonwealth are being properly used to determine rates, not just whether rates are excessive, inadequate, or unfairly discriminatory.

Section 38.2-1910 is amended to parallel the changes made in § 38.2-1909. The Commission may suspend, and subsequently disapprove, a proposed rate if, among other things, it finds that loss experience and other factors particular to Virginia have not been properly used to determine the rates.

Section 38.2-1912 is amended to require the prefiling of rates 60 days before the effective date instead of 30 days before the effective date. The Attorney General's office is to be given notice of such filing by the insurer and a certification of this is to be given to the Commission. Section 38.2-1912 is also amended to permit the Commission to require the prefiling of rates if Virginia loss experience and other factors specifically applicable to Virginia are not being properly used to determine rates.

Section 38.2-2003 is amended to require each insurer, which writes business to which Chapter 20 applies, to give notice to the Attorney General's office that a rate filing has been made and to certify such to the Commission. Additionally, each insurer shall be required to provide certain supporting information with its rate filing. This information shall be on a form prescribed by the Commission and may include:

1. Number of exposures;
2. Direct premiums written;
3. Direct premiums earned;
4. Direct losses paid identified by such period as the Commission may require;
5. Number of claims paid;
6. Direct losses incurred during the year, direct losses incurred during the year which occurred and were paid during the year, and direct losses incurred during the year which were reported during the year but were not paid;
7. Any loss development factor used and supporting data thereon;

8. Loss adjustment expenses paid identified by such period as the Commission may require;

9. Loss adjustment expenses incurred during the year, loss adjustment expenses incurred during the year for losses which occurred and were paid during the year, and loss adjustment expenses incurred during the year for losses which were reported during the year but were not paid;

10. Other expenses incurred, separately by category of expense, excluding loss adjustment expenses;

11. Investment income on assets related to reserve and allocated surplus accounts;

12. Total return on allocated surplus;

13. Any loss trend factor used and supporting data thereon;

14. Any expense trend factor used and supporting data thereon; and

15. Such other information as may be required by rule of the Commission, including statewide rate information presented separately for Virginia and each state wherein the insurer writes the line, subline or rating classification for which the rate filing is made and which the Commission deems necessary for its consideration.

Changes have also been made in § 38.2-2005 which parallel the changes made in § 38.2-1904.

Section 38.2-2006 has been amended to give the Commission 60 days instead of 30 days to either approve or disapprove a rate filing made under Chapter 20.

Additional information on the regulatory requirements pursuant to HB 1235 will be forthcoming.

House Bill 1403

Medical expense payments under motor vehicle liability insurance policies

This bill amends subsection A of § 38.2-2201 of the Insurance Code by changing from one year to two years the length of time after an accident that medical expenses may be incurred in order for the expenses to be covered under the policy.

This bill also amends § 38.2-2202 so that the notice which is required to be given regarding medical expense coverage complies with the changes made in § 38.2-2201.

LIFE AND HEALTH INSURANCE

Senate Bill 379

Insurer reimbursement for services by physical therapists

This bill amends §§ 38.2-3408 and 38.2-4221 of the

State Corporation Commission

Insurance Code to include physical thereapists as a health care provider entitled to reimbursement as provided for in the mandated benefits article of the accident and sickness chapter and in the health services plan chapter. The additional language provides that if a physical therapist performs a service that is covered by a policy, payment cannot be denied by the insurer or health services plan because it was performed by a physical therapist, if the physical therapist is licensed to provide the service in Virginia.

Senate Bill 458

Assignment of interest in benefits under burial insurance policies

This bill amends § 38.2-4021 of the Insurance Code to provide that a certificate of membership in a burial society may be revocably assigned to pay for a pre-need contract which is described in § 11-24 as being an agreement for the sale of personal property to be used for final disposition or funeral services or burial services where the personal property is not to be delivered or services rendered until the death of the person for whom the services are to be furnished.

Senate Bill 459

Insurer reimbursement for services by professional counselors

This bill amends §§ 38.2-3408 and 38.2-4221 of the Insurance Code to include "professional counselor" in the mandated benefits article of the accident and sickness chapter and in the health services plan chapter. The additional language provides that if a professional counselor performs a service that is covered by a policy, payment cannot be denied by the insurer or health services plan because the service was provided by a professional counselor if the service can legally be performed by a licensed professional counselor.

The bill also amends §§ 38.2-3408 and 38.2-4221 by deleting the requirement that clinical social worker services be specifically contracted for under a policy or contract in order for coverage of treatment by a clinical social worker to be required.

House Bill 1078

Reimbursement for services by clinical social workers

This bill amends §§ 38.2-3408 and 38.2-4221 in the mandated benefit article of the accident and sickness chapter and in the health services plan chapter of the Insurance Code. The bill deletes the language requiring that insurance coverage for clinical social work services be specifically contracted for under a policy and that coverage must be made available to policy purchasers; therefore the section now provides that if a clinical social worker performs a service that is covered by a policy,

payment cannot be denied by the insurer or health services plan if the clinical social worker is licensed to provide the service in Virginia.

House Bill 1252

Long-Term Care

This bill creates a new chapter in the Insurance Code. Long-term care policies, both group and individual, will be subject to all provisions of the Insurance Code relating to insurance policies and certificates generally except Chapter 34, Article 2 and Chapter 36, which deal with mandated benefits and medicare supplement insurance respectively. The authority of the State Corporation Commission to issue regulations to establish specific standards for policies is set out. The regulations are to recognize the experimental nature of long-term care insurance.

The definition of "long-term care insurance" includes policies or riders that offer coverage for at least 12 consecutive months for necessary "diagnostic, preventive, therapeutic, rehabilitative, maintenance, personal care, mental health or substance abuse services provided in a setting other than an acute care unit of a hospital." The definition includes the contracts issued by traditional insurers, health service (Blue Cross/Blue Shield) plans, fraternal benefit societies, health maintenance organizations (HMOs) cooperative nonprofit life benefit companies or mutual assessment life, accident and sickness insurers. HMOs, cooperative nonprofit life benefit companies and mutual assessment life, accident and sickness insurers can apply to the Commission for approval to offer long-term care policies.

Long-term care policies are prohibited from having provisions that would allow the insurer to terminate a policy based on the age, or deterioration of the mental or physical condition of the insured. The policies are also prohibited from having an additional waiting period if a policy is replaced by another policy with the same company.

A preexisting condition may not be excluded from coverage for more than 12 months. The authority of the SCC to extend the limitation period is specifically included. Companies are allowed to underwrite policies according to their established standards for long-term care policies and to request a complete health history.

Insurers must allow insureds at least 60 days to enter a long-term care facility after leaving an institution if prior institutionalization is required by the contract.

Any individual long-term care policies that, in the Commission's opinion, could be considered limited benefit policies must meet the loss ratio standards that apply to all limited benefit policies. However, existing loss ratio standards that do not specifically include long-term care policies cannot be used to evaluate any other long-term care policy.

A full and complete outline of coverage is required to be delivered to an applicant for individual long-term care insurance when the insured applies. Insurers that sell policies on a direct response basis must provide the outline no later than when the applicant receives the policy. Certificates issued under group policies must also include an outline of coverage. In addition, a copy of a long-term care consumer's guide published by the SCC must be provided to the insured at the time of delivery.

"Free-Look" provisions are also included in the legislation. These provisions give individuals purchasing long-term care insurance policies an opportunity to review the policies and return them within a designated period if the policies are not in accordance with their needs. Individual policies must provide at least a 10-day period. Direct response solicitations require a thirty-day free look period for individual and group policies. The existence of this provision must be prominently displayed on each policy or certificate.

TECHNICAL AND EDITORIAL INSURANCE CODE REVISIONS

Senate Bills 490 and 491

Insurance Code Revision

These bills amend several sections in the Insurance Code to clarify changes or to correct minor typographical and editorial errors resulting from changes made during the 1986 recodification.

PREMIUM TAXES AND ASSESSMENTS

Senate Bill 598 and House Bill 1396

Taxation of certain insurance companies

These bills are identical. They amend and add sections to the Insurance Code relating to the license tax on certain insurance companies, health service plans, the Virginia Property and Casualty Insurance Guaranty Association, the Virginia Life, Accident and Sickness Insurance Guaranty Association and Fraternal Benefit Societies.

The major changes and additions in these bills are:

1. Fraternal Benefit Societies will now be subject to the annual assessment for the expense of maintaining the Bureau (§ 38.2-400);
2. The Virginia Property and Casualty Guaranty Association has been amended to provide a tax credit for assessments paid by member insurers. Under § 38.2-1606 A(3a), the Association shall issue a certificate of contribution to each insurer paying an assessment. Section 38.2-1611.1 provides that the assessment paid to the Association may be deducted from the amount of the member's premium tax liability. The amount that may be amortized in each calendar year succeeding the calendar

year of issuance has been set to an amount not to exceed 0.05 of 1 percent of the member's direct gross premium income for the classes of insurance in the account for which the member insurer is assessed;

3. The certificate of contribution in the Virginia Life, Accident and Sickness Insurance Guaranty Association has also been amended. The amount that may be amortized in each calendar year succeeding the calendar year of issuance has been set at an amount not to exceed 0.05 of one percent of the direct gross premium income of the member insurer for the classes of insurance in the account for which the member insurer is assessed (§ 38.2-1709);

4. The Virginia Life, Accident and Sickness Insurance Guaranty Fund and the Virginia Property and Casualty Insurance Guaranty Fund now parallel each other in terms of the certificate of contribution and any resultant tax write-off;

5. The premium income received by cooperative nonprofit life benefit companies from policies not requiring legal reserves is now subject to a tax of one percent on its collected gross premiums (§ 38.2-1709);

6. The statutory provisions governing subsidiaries of insurance companies are now made applicable to health service plans licensed under Chapter 42 (§ 38.2-4214). Section 38.2-4225 has been repealed. The provisions of § 38.2-1336 shall apply to any insurance holding company as defined in § 38.2-1322 that controls a nonstock corporation subject to this chapter;

7. Section 38.2-4216 has been repealed and replaced by § 38.2-4216.1. The new provisions are as follows:

A. Subsection A states that a nonstock corporation licensed under Chapter 42 shall make available an open enrollment program, as per this section, to all citizens of this Commonwealth;

B. Subsection B defines the terms "comprehensive accident and sickness contracts" and "open enrollment contracts." Coverage must be offered to all individuals and members of groups of 49 or fewer. Group contracts must allow conversion to an individual policy, the level of coverage to be determined by the Commission;

C. Subsection C states that coverage cannot be denied for an individual because of age, health history, employment status or industry classification or, for a member of an eligible group, because of industry of any member of the group (including dependents);

D. Subsection C also states that the open enrollment program shall be made available on a 12-month basis. If available on less than a 12-month basis, credit must be given toward any waiting period for preexisting conditions if, the person had been continuously enrolled in a nonstock corporation's program immediately prior to the

State Corporation Commission

open enrollment policy coverage;

E. Subsection C also states that the subscription charge for open enrollment contracts shall be reasonable in relation to benefits and deductibles, as determined by the Commission;

F. Subsection D requires the advertisement of the availability of the open enrollment program at least 12 times per year, in a newspaper or newspapers of general circulation. The general content and format of these advertisements shall be approved by the Commission;

G. Subsection E allows the Commission to prescribe minimum standards to govern the contents of open enrollment policies. The option of purchasing comprehensive major medical coverage must be made available to open enrollment subscribers. These minimum standards may be applied to group conversion policies;

H. Subsection F states that an open enrollment program may only be discontinued upon 24-month advance written notice to the Commission;

I. Subsection G states that a nonstock corporation licensed under this chapter shall provide other public services to the community, including health-related support and training to subscribers for whom such support and training may reduce their health-related care and expense.

8. Information, in addition to the annual statements now required of the Blues, would also have to be filed with the S.C.C. This additional annual statement must include: a) the number of Virginia subscribers by contract type (the contract types are enumerated); b) subscriber income and benefit payments by type of contract; c) expenditures for public services in addition to that spent for open enrollment (§ 38.2-4217);

9. The license application fee for the Blues has been eliminated (§ 38.2-4222);

10. The license tax in § 58.1-2500 of the Taxation Code is now applicable to the Blues, in lieu of all other state and local license fees and/or taxes and state income taxes (§ 38.2-4226);

11. Section 58.1-2501 of the Taxation Code has been amended as follows:

A. This section applies the annual license tax to corporations defined in § 38.2-4201 and § 38.2-4501;

B. This section also adjusts the tax rate applicable to accident and sickness, property and casualty, life and title insurance. The rate through taxable year 1988 is 2 3/4% of subscriber fee income or direct gross premium income. From taxable year 1989 on, the rate is 2 1/4% of subscriber fee income or direct gross premium income;

C. This section applies a tax rate of .75 of 1 percent of

direct gross subscriber fee income to subscription contract plans defined in § 38.2-4201 and § 38.2-4501 beginning in taxable year 1988. The declaration of estimated tax pursuant to this subsection shall commence on or before April 15, 1988;

12. Section 58.1-2520 of the Taxation Code has been amended to require all nonstock corporations licensed under Chapters 42 (Health Services Plans) and 45 (Dental Services Plans) of the Insurance Code to make a declaration of its estimated tax liability. Any insurance company or nonstock corporation with a taxable year of less than twelve months shall make a declaration in accordance with regulations prescribed by the Commission.

HEALTH MAINTENANCE ORGANIZATIONS

Senate Bill 382

Tax exemption on HMO property

This bill amends § 58.1-608 of the Taxation Code so that personal property purchased by nonprofit health maintenance organizations is exempt from retail sales and use tax.

INSURANCE COMPANIES

House Bill 905

Extraordinary dividends

This bill amends § 38.2-1330 of the Insurance Code relating to standards for transactions between insurers and affiliates. The amendment lessens regulatory oversight of the activities of holding companies by limiting the circumstances that would constitute extraordinary dividends and commission approval for payments of such dividends.

House Bill 1100

Financial reserves in insurance special funds

This bill amends § 6.1-2 of the Banking and Finance Code and § 38.2-400 of the Insurance Code as they relate to the SCC's financial reserves in the Banking and Insurance Special Funds. The amended language clarifies the authority of the SCC to maintain a reasonable margin in the nature of a reserve for the expenses of operating the Bureaus of Financial Institutions and Insurance.

House Bill 1152

Insurer's limitation of risks for municipal bond insurance

This bill amends § 38.2-208 of the Insurance Code to provide that, for municipal bond insurance, the amount of any single risk shall be measured by the average annual debt service. The purpose of this bill is to permit the licensure of monoline financial guaranty insurers in Virginia. Due to the current interpretation of § 38.2-208

(prior to the enactment of this legislation) and the financial structure of monoline insurers, such insurers have been effectively prohibited from operating in Virginia on a licensed basis.

House Bill 1167

Insurance Regulatory Information System

This bill amends the Insurance Code by adding a new section, § 38.2-1306.1, that will make confidential all financial analyses of insurance companies submitted to the Commission by the National Insurance Commissioners' Insurance Regulatory Information System (IRS).

House Bill 1406

Certificate of authority

This bill amends the Corporations Code (Title 13.1), relating to foreign stock and nonstock corporations. The new language allows the Clerk of the Commission to reenter the certificate of authority of a foreign stock or nonstock corporation who has had its certificate of authority suspended or revoked, provided that particular criteria are met. A foreign corporation shall also be allowed to obtain a certificate of authority from the Commission in the event that it changes the state or country of its incorporation. Previously, an amended certificate of authority could only be obtained if the corporate name was changed.

The bill also amends § 38.2-1040 of the Insurance Code, relating to the refusal, suspension or revocation of a company's license to transact the business of insurance. This amendment adds to the provisions by which the Commission may refuse to issue, suspend or revoke the insurance license of any domestic, foreign or alien insurer. The new language adds a provision relating to the revocation of a corporation's certificate of authority in Virginia.

AGENTS/INSURANCE CONSULTANTS (FINANCIAL PLANNERS)

Senate Bill 492

Agents chapter revision

This bill extensively amends Chapter 18 (Insurance Agents) of the Insurance Code. Among the many changes are:

1. The definition of the terms "agent", "licensed agent", and "appointed agent" are clarified (§ 38.2-1800).
2. There is new chapter-wide definition of the phrase "solicit, negotiate, procure, or effect" (§ 38.2-1800).
3. It is now to be prohibited for anyone but a duly licensed and appointed agent to claim to be a representative of, authorized agent of, agent of, or other

term implying a contractual relationship with an insurer (§ 38.2-1801).

4. Separate "lending institution" licenses are created for employees of lending institutions seeking licensing for certain limited lines, and preclicensing requirements for such agents are specified (§ 38.2-1811).

5. Rules governing when and to whom commissions may be paid have been clarified (§ 38.2-1812).

6. Changes have been made to allow for exemption from examination requirements for those applying for non-resident licenses, and to require satisfaction of all preclicensing requirements for those moving to Virginia from another jurisdiction (§§ 38.1-1817 and 38.2-1836).

7. Changes are also made to allow for future implementation of an automated testing system for agent licensing (§ 38.2-1817).

8. Examination and licensing fees have been separated and specified (§§ 38.2-1817 and 38.2-1819).

9. Additional requirements for documentation to be furnished by partnerships and corporations applying for licensing have been added (§ 38.2-1822).

10. The appointment process enacted in 1985 has been substantially modified, providing a specific date from which time limits commence and granting a longer period of time to comply with the revised requirements of the statute, negating adverse consequences of mail delays, etc. (§ 38.2-1833).

11. Specific time limits for notification to both the agent and the Commission when an agent's appointment is terminated have been added (§ 38.2-1834).

12. All agents with partial qualifications granted under prior law will have until July 1, 1988 to become fully qualified. All partial qualification licenses will be revoked effective July 1, 1988.

House Bill 1046

Financial Planners

This bill amends both the Insurance and the Corporations (securities) Codes to bring the majority of financial planners under the existing reach of state regulation. What was formerly limited to property and casualty consultants under the Insurance Code has been expanded to create life and health consultants as well, and specific licensing requirements have been set forth for each. In addition, a disclosure statement would be required if the insurance consultant could receive a commission for products sold in addition to the fee for service received for the insurance advice. The bond requirement in the existing statute has been deleted.

State Corporation Commission

The Virginia Blue Sky Laws have been amended and include a requirement that investment advisors registered with the United States Securities and Exchange Commission must now also register at the state level (many investment advisors were previously exempt from state registration). This change will bring many investment advisors/financial planners under all of the regulatory requirements of the state. More information on the securities portion of the bill can be obtained from the SCC Division of Securities and Retail Franchising (804/786-7751).

ALTERNATIVES TO TRADITIONAL INSURANCE

Senate Bill 485

Group self-insurance pools for political subdivisions

This bill amends the Counties, Cities and Towns Code by adding a new section, § 15.1-503.4:2.1, that gives the Commonwealth or any agency of the Commonwealth the authority to exercise any of the powers given to a political subdivision in connection with group self-insurance pools. However, any agency of the Commonwealth must have prior written consent from the Governor to join a self-insurance pool if the Division of Risk Management has established an insurance plan providing the same type of insurance coverage.

House Bill 1022

Insurance pool for underground storage tanks

This bill amends the Housing Code (Title 36) by authorizing the Board of Housing and Community Development to promulgate regulations developed by the State Water Control Board concerning underground storage tanks. It also amends the Waters of the State, Ports and Harbors Code (Title 62.1) by expanding the authority of the State Water Control Board to oversee underground storage tanks. Additionally, it allows owners or operators who are unable to meet the financial responsibility requirements to establish an insurance pool, the formation of which would be subject to the approval of the SCC. Finally, this bill establishes the Virginia underground storage tank fund.

House Bill 1168

Risk Retention

This bill adds a new chapter to the Insurance Code relating to the regulation of risk retention groups and purchasing groups. This bill is essentially the same as the recently adopted NAIC model. Certain modifications were, however, required to conform the model to Virginia and to clarify ambiguities. The general areas where the Commission will have regulatory authority include:

1. financial solvency;

2. false and deceptive practices;

3. policy content, as regards companies selling to purchasing groups;

4. compliances with motor vehicle financial responsibility laws;

5. licensing of agents, and

6. payment of premium taxes.

House Bill 1216 (Effective July 1, 1987, except §§ 38.2-5002 through 38.2-5014 which are effective January 1, 1988)

Birth-related neurological injury compensation act

This bill adds a new chapter to the Insurance Code. The purpose of this bill is to create a Birth-Related Neurological Injury Compensation Program. The rights and remedies granted under this program replace all other rights and remedies. Compensation under the program will be determined by the Industrial Commission. For the purpose of this chapter, a "birth-related neurological injury" means injury to the brain or spinal cord of an infant that has been caused by the deprivation of oxygen or mechanical injury occurring in the course of labor, delivery or resuscitation in the immediate post-delivery period in a hospital which renders the infant permanently nonambulatory, aphasic, incontinent, and in need of assistance in all phases of daily living.

Funding for the program will be derived from:

1. Participating hospitals (\$50 per delivery for the prior year, not to exceed \$150,000 per hospital in any one twelve-month period);

2. Participating physicians (\$5,000 per year);

3. All other licensed practicing physicians (\$250 per year); and

4. Liability insurers subject to a maximum .25% of net direct written premiums. However, liability insurers are secondary to the other funding sources and may recover any assessment made against them through policy surcharges, rate increases, or combination of surcharges and rate increases. The method of recovery shall be at the discretion of the Commonwealth.

The provisions that become effective on July 1, 1987 will permit the necessary organizational activities to be completed in 1987. The Program will not become operational until January 1, 1988. The bill only applies to claims for birth-related neurological injuries occurring in Virginia on and after January 1, 1988.

TITLE INSURANCE

House Bill 1025

Prohibiting title insurance kickbacks

This bill amends § 38.2-4614 of the Insurance Code as it relates to the prohibition against payment or receipt of title insurance kickbacks. This bill now provides that no person shall be in violation of this section solely by reason of ownership in a bona fide title insurance company, agency, or agent as opposed to referring solely to those who own stock in the company.

INSURANCE INFORMATION AND PRIVACY PROTECTION

Senate Bill 561

Insurance information in criminal investigation

This bill adds a new provision to paragraph 6 of § 38.2-613 of the Insurance Code which is part of the Privacy Protection Act. This new provision directs insurance institutions, agents and support organizations to comply with requests by law enforcement agencies for information relating to criminal investigations. Information released pursuant to this new provision shall be treated as confidential information. The releasing entity shall not inform any insured or claimant that information has been provided to a law enforcement agency.

This bill also expands the police and DMV authority to investigate certain types of businesses.

TORT REFORM

Senate Bill 402

Limitation on punitive damages that can be awarded in personal injury cases

This bill amends the Civil Remedies and Procedure Code by adding § 8.01-38.1 which places a \$350,000 cap on the amount of punitive damages that can be awarded in personal injury cases.

Senate Bill 403

Exemption from jury service

This bill amends §§ 8.01-341 and 8.01-341.1 of the Civil Remedies and Procedure Code by limiting the classes of people who may claim exemption from serving on juries in civil and criminal cases.

Senate Bill 404 and House Bill 1088

Limitations on liability of corporate officers

These identical bills amend the Corporations Code by limiting the liability of corporate officers and directors in proceedings brought by or on behalf of shareholders of the

corporation or brought by or on behalf of members of the corporation. The limit of liability would apply except where the officer or director had engaged in willful misconduct or a knowing violation of criminal law. The limit of liability is set at a lesser of (i) the monetary amount specified in the articles of incorporation or (ii) the greater of \$100,000 or the amount of cash compensation received during the year immediately preceding the act or omission for which liability is imposed.

Senate Bill 405 and House Bill 1094

Statute of limitations in medical malpractice

These identical bills amend the Civil Remedies and Procedure Code by adding a provision which limits the time within which a person on behalf of a minor can bring action for medical malpractice. The statute of limitations is set for two years from the date of the act or omission giving rise to the cause of action, with some exceptions being granted.

Senate Bill 486

Insurance for employees of local governments

This bill amends § 15.1-7.3 of the Counties, Cities and Towns Code as it relates to insurance for employees of local governments. The amended language allows the local government, if it so chooses, to provide for its retired officers and employees to be eligible for any group life, accident, and health insurance programs that it provides for its present officers and employees. The cost of this insurance may be paid entirely by the locality or shared with the officer or employee.

House Bill 1052

Statute of limitations

This bill amends § 8.01-243 of the Civil Remedies and Procedure Code by including in the statute of limitations for personal actions any action for damages resulting from fraud.

House Bill 1083

Certification of merits of pleadings

This bill amends § 8.01-271.1 of the Civil Remedies and Procedure Code by requiring attorneys to certify as to the merits of any pleadings or motions which are filed by them. The bill also imposes sanctions upon attorneys who file frivolous lawsuits or who otherwise misrepresent the merits of any pleadings or motions.

House Bill 1084

Immunity of members of local government

This bill amends the Counties, Cities and Towns Code by

State Corporation Commission

adding a section which grants immunity to members of local governing bodies for lawsuits arising from the conduct of their affairs except where such lawsuit involves the appropriation of funds or is the result of intentional or willful misconduct or gross negligence.

House Bill 1533

Limit on liability for members of transportation districts

This bill amends § 15.1-1364 of the Counties, Cities and Towns Code which pertains to the limit of liability for members of transportation districts. The bill expands the definition of "liability policy" to include any program of self-insurance administered by the Virginia Division of Risk Management.

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May 6, 1987

Administrative Letter 1987-8

TO: All Companies Licensed to Write Property and Casualty Insurance in Virginia.

RE: Prohibited Practices of Lienholders.
§ 38.2-513.A.2.a of the Code of Virginia.

It has come to our attention that certain lienholders disapprove policies underwritten by insurers who are not rated by A.M. Best and Company.

Subsection A.2.a of § 38.2-513 of the Code of Virginia requires that a lienholder's disapproval of a policy provided by a borrower or debtor be based solely on reasonable standards uniformly applied regarding the extent of coverage required and the financial soundness and the services of the insurer. The fact that an insurer is not rated by A.M. Best and Company does not necessarily indicate that an insurer is financially unsound.

Therefore, a lienholder who refuses to accept an insurer's policy because of the absence of a Best rating, without further consideration of the insurer's financial soundness, has unreasonably disapproved such policy and would be in violation of the above captioned statute.

If your company is aware of any lienholders who appear to be in violation of subsection A.2.a of § 38.2-513, please notify this office in writing and such allegations will be investigated.

/s/ Steven T. Foster
Commissioner of Insurance

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Bureau of Insurance

May 22, 1987

Administrative Letter 1987-9

TO: All Insurers Licensed and Approved to Transact Insurance Business in Virginia.

RE: Report of Acts Deemed Larceny.

The Bureau of Insurance has become aware that some companies doing business in Virginia may be in violation of § 38.2-1810 of the Code of Virginia.

Section 38.2-1810 requires that if an insurer knows or has reasonable cause to believe that any appointed agent or licensed surplus lines broker of the insurer has committed any act of larceny as prescribed in Title 18.2, Chapter 5, § 18.2-111 of the Virginia Code with respect to any money, bill, note, check, order, draft, or other property either belonging to the insurer or received by the agent or surplus lines broker on behalf of the insurer, the insurer must file a statement with the Commission of all the relevant facts and circumstances within sixty days after acquiring the knowledge.

The most common occurrences of larceny with respect to insurance transactions involve the collection of premium monies by an agent which are not remitted to the company and the failure of an agent to remit return premiums due insureds.

Please be aware that the Code further states that the information provided the Commission by the company is a privileged communication and will not subject the company to any liability whatsoever.

Any statements concerning larceny or any other improprieties by insurance agents should be directed to Gail Kimpfler, Supervisor of Agent Investigations, for Property and Casualty matters, and John Mardigian, Supervisor of Consumer Services, for Life and Health matters. A copy of § 18.2-111 is reproduced on the back of this letter for your information.

ARTICLE 4.

Embezzlement and Fraudulent Conversions.

§ 18.2-111. Embezzlement deemed larceny; indictment; statement from attorney for the Commonwealth.—If any person wrongfully and fraudulently use, dispose of, conceal or embezzle any money, bill, note, check, order, draft, bond, receipt, bill of lading or any other personal property, tangible or intangible, which he shall have received for another or for his employer, principal or bailor, or by virtue of his office, trust, or employment, or which shall have been entrusted or delivered to him by another or by any court, corporation or company, he shall be deemed guilty of larceny thereof, may be indicted as for larceny, and proof of embezzlement under this section shall be sufficient to sustain the charge. On the trial of every indictment for larceny, however, the defendant, if he demands it, shall be entitled to a statement in writing

State Corporation Commission

from the attorney for the Commonwealth designating the statute he intends to rely upon to ask for conviction. Such statement shall be furnished to the defendant, or his attorney, no later than five days prior to the date fixed for trial on the indictment provided the demand is made more than five days prior to such date.

/s/ Steven T. Foster
Commissioner of Insurance

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Bureau of Insurance

June 1, 1987

Administrative Letter 1987-10

TO: All Companies Licensed to Transact Insurance in the Commonwealth of Virginia.

RE: Revised Law and Procedures for Licensing and Appointment of Insurance Agents.

EACH ADDRESSEE OF THIS ADMINISTRATIVE LETTER IS INSTRUCTED TO NOTIFY EACH OF ITS CURRENT VIRGINIA APPOINTEES OF THE CONTENTS HEREOF. EACH ADDRESSEE IS FURTHER INSTRUCTED HENCEFORTH TO INFORM EACH PROSPECTIVE APPOINTEE OF THE REQUIREMENTS SET FORTH HEREIN.

The purpose of this letter is to explain the procedural changes pertaining to the licensing and appointment of insurance agents in Virginia effective July 1, 1987. As was discussed in Administrative Letter 1987-7, Chapter 18 of Title 38.2 was extensively revised by the 1987 General Assembly. Most of the changes become effective on July 1, 1987.

In this letter, the new procedures for obtaining licenses and making appointments will be discussed. It is extremely important that all insurers and all agents and prospective agents be aware of these procedures so as to assure a smooth transition from one system to another.

This letter is presented in nine sections, as follows:

- A. LICENSE AND APPOINTMENT TYPES
- B. RELATIONSHIP BETWEEN AND AMONG LICENSES AND APPOINTMENTS
- C. LICENSING REQUIREMENTS FOR RESIDENTS
- D. LICENSING REQUIREMENTS FOR AGENTS MOVING INTO VIRGINIA
- E. LICENSING REQUIREMENTS FOR NONRESIDENT AGENTS

F. LICENSING OF AGENCIES

G. APPOINTMENT PROCEDURES

H. LICENSING FORMS AND FEES

I. FORMS REQUESTS AND IMPLEMENTATION

In addition, we have enclosed a detailed set of procedures to be used in applying for each type of license, and a set of the new licensing, appointment, and cancellation forms.

A. LICENSE AND APPOINTMENT TYPES

Effective July 1, 1987, the following license and appointment types will be recognized in Virginia:

1. Burial.

License authorizes agent to represent only a company operating pursuant to Chapter 40 of Title 38.2.

Appointment may be made only by a company operating pursuant to Chapter 40 of Title 38.2.

2. Limited Burial.

License authorizes agent to sell group life certificates in amounts of \$5,000 or less on behalf of a burial association that is the group policyholder under an association group contract.

Appointment may be made by any appropriately licensed insurer.

3. Cooperative Nonprofit Life Benefit.

License authorizes agent to represent only an insurer operating pursuant to Chapter 38 of Title 38.2.

Appointment may be made only by a company operating pursuant to Chapter 38 of Title 38.2.

4. Credit Life and Health.

License authorizes agent to sell only Credit Life and Credit Accident and Sickness Insurance as defined in Chapter 37 of Title 38.2.

Appointment may be made by any company authorized to market Credit Life and/or Credit Accident and Sickness Insurance.

5. Dental Services.

License authorizes agent to represent only a Dental Services Plan operating pursuant to Chapter 45 of Title 38.2.

Appointment may be made only by a Dental Services Plan.

State Corporation Commission

6. Health.

License authorizes agent to represent only a Health Services Plan operating pursuant to Chapter 42 of Title 38.2 or a Health Maintenance Organization operating pursuant to Chapter 43 of Title 38.2.

Appointment may be made only by a Health Services Plan or Health Maintenance Organization.

7. Legal Services.

License authorizes agent to represent only a Legal Services Plan operating pursuant to Chapter 44 of Title 38.2.

Appointment may be made only by a Legal Services Plan.

8. Life and Health.

License authorizes agent to sell any kind of Life Insurance, Accident and Sickness Insurance, or Annuities, except variable contracts, on behalf of any insurer authorized to market such classes of insurance in Virginia.

Appointment may be made by any insurer with authority to issue Life Insurance, Accident and Sickness Insurance, and/or Annuities.

9. Limited Mutual Assessment Life and Health.

License authorizes agent to represent only a Mutual Assessment Life, Accident and Sickness Insurer operating pursuant to Chapter 39 of Title 38.2, and only with respect to those classes of insurance specified in Category A of § 38.2-3902.

Appointment may be made only by a Mutual Assessment Life, Accident and Sickness Insurer, and only with respect to those classes of insurance specified in Category A of § 38.2-3902.

10. Mutual Assessment Life and Health.

License authorizes agent to represent only a Mutual Assessment Life, Accident and Sickness Insurer operating pursuant to Chapter 39 of Title 38.2.

Appointment may be made only by a Mutual Assessment Life, Accident and Sickness Insurer, and may include any class of insurance for which the insurer has authority.

11. Limited Mutual Assessment Property and Casualty.

License authorizes agent to represent only a Mutual Assessment Property and Casualty Insurer operating pursuant to Chapter 25 of Title 38.2, and only with respect to those classes of insurance specified in

Categories A and B of § 38.2-2503.

Appointment may be made only by a Mutual Assessment Property and Casualty Insurer, and only with respect to those classes of insurance specified in Categories A and B of § 38.2-2503.

12. Mutual Assessment Property and Casualty.

License authorizes agent to represent only a Mutual Assessment Property and Casualty Insurer operating pursuant to Chapter 25 of Title 38.2.

Appointment may be made only by a Mutual Assessment Property and Casualty Insurer, and may include any class of insurance for which the insurer has authority.

13. Mortgage Accident and Sickness.

License authorizes agent to sell only Mortgage Accident and Sickness Insurance on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market Mortgage Accident and Sickness Insurance.

14. Mortgage Guaranty.

License authorizes agent to sell only Mortgage Guaranty Insurance on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market Mortgage Guaranty Insurance.

15. Motor Club.

License authorizes agent to sell contracts to assist Automobile Club members in matters relating to motor travel or the operation, use, or maintenance of a motor vehicle by supplying services which may include, but are not limited to, towing service, emergency road service, indemnification service, guaranteed arrest bond certificate service, discount service, financial service, theft service, map service, or touring service only on behalf of licensed Automobile Clubs operating pursuant to Chapter 3.2 of Title 13.1.

Appointment may be made only by a licensed Automobile Club.

16. Ocean Marine.

License authorizes agent to sell only Ocean Marine Insurance as defined in § 38.2-126, except those kinds specifically classified as Inland Marine Insurance, on behalf of any insurer licensed to offer such coverage in Virginia.

State Corporation Commission

Appointment may be made by any insurers authorized to market Ocean Marine Insurance.

17. Optometric Services.

License authorizes agent to represent only an Optometric Services Plan operating pursuant to Chapter 45 of Title 38.2.

Appointment may be made only by an Optometric Services Plan.

18. Property and Casualty.

License authorizes agent to sell any kind of Property and Casualty Insurance on behalf of any insurer authorized to market Property and Casualty Insurance.

Appointment may be made by any insurer with authority to issue Property and Casualty Insurance.

19. Surplus Lines Broker.

License authorizes an already licensed Property and Casualty agent to act as a Surplus Lines Broker in Virginia pursuant to Chapter 48 of Title 38.2.

Appointment - None.

20. Title.

License authorizes agent to represent only a Title Insurance company operating pursuant to Chapter 46 of Title 38.2.

Appointment may be made only by a title insurer.

21. Travel Accident.

License authorizes agent to sell only Travel Accident Insurance at transportation terminal buildings or as ticket selling agent of a railroad, steamship company, air carrier, or public bus carrier, on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market Travel Accident Insurance.

22. Travel Baggage.

License authorizes agent to sell only Travel Baggage Insurance as the ticket selling agent of a railroad or steamship company, air carrier, or public bus carrier, on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market Travel Baggage Insurance.

23. Variable Life and Annuity.

License authorizes already licensed Life and Health agent to sell variable contracts on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market Variable Life and/or Variable Annuity Insurance.

24. Life and Health Consultant.

License authorizes licensee to act as a Life and Health Insurance Consultant in Virginia.

Appointment - None.

25. Property and Casualty Consultant.

License authorizes licensee to act as a Property and Casualty Insurance Consultant in Virginia.

Appointment - None.

26. Temporary Life and Health.

(Sale of Agency or Death or Disability of Agent)

License authorizes licensee to act as Life and Health agent for one 90-day period.

Appointment may be made by any authorized insurer.

27. Temporary Property and Casualty.

(Sale of Agency or Death or Disability of Agent)

License authorizes licensee to act as a Property and Casualty agent for one 90-day period.

Appointment may be made by any authorized insurer.

28. Temporary Life and Health.

(Debit)

License authorizes licensee to act as an agent for a combination (Home Service) insurer for one 90-day period.

Appointment may be made by only one insurer selling Industrial or Ordinary Life Insurance or Accident and Sickness Insurance on a debit, where the premiums are payable at least monthly directly by the owner of the policy or a person representing the owner to a representative of the insurer.

29. Lending Institution Credit Life and Health.

License authorizes a lending institution, bank holding company, or their subsidiaries or affiliates, including any officer or employee thereof, to sell only Credit Life and Credit Accident and Sickness Insurance on

State Corporation Commission

behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market Credit Life and/or Credit Accident and Sickness Insurance.

30. Lending Institution Life and Health.

License authorizes a lending institution, bank holding company, or their subsidiaries or affiliates, including any officer or employee thereof, to sell only Credit Life Insurance, Credit Accident and Sickness Insurance, Mortgage Redemption Insurance, Mortgage Accident and Sickness Insurance, Annuities purchased for the liquidation or partial liquidation of accounts accumulated in financial institutions, Nonconvertible Term Life Insurance rounded up to the next \$1,000 limited to amount and duration of a credit transaction, and Disability Insurance rounded up to the next \$100 of monthly payment limited to amount and duration of a credit transaction on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market insurance of the above types.

31. Lending Institution Mortgage Redemption.

License authorizes a lending institution, bank holding company, or their subsidiaries or affiliates, including any officer or employee thereof, to sell only Mortgage Redemption Insurance, as defined in § 38.2-1800, on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market Mortgage Redemption Insurance.

32. Lending Institution Single Interest.

License authorizes a lending institution, bank holding company, or their subsidiaries or affiliates, including any officer or employee thereof, to sell only Single Interest Insurance on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market Single Interest Insurance.

33. Lending Institution Title.

License authorizes a lending institution, bank holding company, or their subsidiaries or affiliates, including any officer or employee thereof, to sell only Title Insurance on behalf of any Title Insurance company operating pursuant to Chapter 46 of Title 38.2.

Appointment may be made by any Title insurer.

B. RELATIONSHIP BETWEEN AND AMONG

LICENSES AND APPOINTMENTS

1. No agent may solicit, negotiate, procure, or effect insurance in Virginia unless the agent has obtained a license from the Commission. Such license must include within its scope the line of insurance being solicited, negotiated, procured, or effected, and the line of insurance must also be of a class authorized to be sold by the insurer on whose behalf the agent has solicited, negotiated, procured, or effected it.

2. There are two license types that encompass others within their scope. Possession of one of these "umbrella" licenses precludes the need to obtain any of the more limited licenses falling under the umbrella.

a. One who has a LIFE AND HEALTH LICENSE does not need to apply for any of the following additional licenses:

Limited Mutual Assessment Life and Health
Mutual Assessment Life and Health
Temporary Life and Health
Burial
Limited Burial
Cooperative Nonprofit Life Benefit
Travel Accident
Credit Life and Health
Mortgage Accident and Sickness
Health
Dental Services
Optometric Services
Legal Services

An agent with a Life and Health License may be appointed under a Life and Health Appointment, or any of the limited appointment types listed above.

b. One who has a PROPERTY AND CASUALTY LICENSE does not need to apply for any of the following additional licenses:

Temporary Property and Casualty
Limited Mutual Assessment Property and Casualty
Mortgage Guaranty
Mutual Assessment Property and Casualty
Ocean Marine
Travel Baggage

An agent with a Property and Casualty License may be appointed under a Property and Casualty Appointment, or any of the limited appointment types listed above.

c. An agent, previously licensed under one of the limited license types, who obtains a more encompassing license, will no longer need the limited license. Appointments under that limited license will continue in effect.

3. Lending Institution Licenses and Appointments, as indicated above, are issued only to lending institutions, bank holding companies, or their subsidiaries or affiliates, including any officer or employee. Lending Institution Licenses and Appointments may be converted to their nearest equivalent ordinary licenses and appointments upon submission of proof that the individual is no longer an officer or employee of a lending institution, bank holding company, or its subsidiaries or affiliates; of, if an agency, that the agency is no longer a lending institution, bank holding company, or subsidiary thereof.

C. LICENSING REQUIREMENTS FOR RESIDENTS

1. Licenses Requiring Prelicensing Study Course and Written Examination.

a. All of the following license types require that the applicant successfully complete a 45 hour Life and Health study course and pass a written examination prescribed by the Commission. Upon successful completion of both, applicants will be issued a LIFE AND HEALTH LICENSE:

LIFE AND HEALTH

BURIAL

COOPERATIVE NONPROFIT LIFE BENEFIT

MUTUAL ASSESSMENT LIFE AND HEALTH

MORTGAGE ACCIDENT AND SICKNESS

LIFE AND HEALTH INSURANCE CONSULTANT

b. An applicant for a LENDING INSTITUTION LIFE AND HEALTH LICENSE must successfully complete a 45 hour Life and Health study course and pass a written examination prescribed by the Commission.

c. An applicant for a HEALTH AGENT LICENSE must successfully complete a 25 hour study course and pass a written examination prescribed by the Commission.

d. The following license types require that the applicant successfully complete a 45 hour Property and Casualty study course and pass a written examination prescribed by the Commission. Upon successful completion of both, applicants will be issued a PROPERTY AND CASUALTY LICENSE:

PROPERTY AND CASUALTY

MUTUAL ASSESSMENT PROPERTY AND CASUALTY

PROPERTY AND CASUALTY INSURANCE CONSULTANT

e. An applicant for a LENDING INSTITUTION SINGLE INTEREST LICENSE must successfully complete a 45 hour Property and Casualty study course and pass a written examination prescribed by the Commission.

2. Waiver of Study Course Requirements.

The Commission may allow an applicant to take the written examination without taking the required study course if the applicant submits proof in a form acceptable to the Commission that he has attained equivalent knowledge through employment experience as determined by the Commission. The employment experience shall include no less than one year of full-time experience as an employee of an insurer, an insurance department, an insurance agency, or equivalent employment as determined by the Commission. The employment experience shall have involved the performance of responsible insurance duties in connection with the kind of insurance for which the applicant has applied for a license. The applicant shall have completed the employment experience requirement not more than one year before applying for a license.

3. Waiver of Examination Requirement.

The Life and Health examination will be waived for those who submit proof that they have been awarded the designation of Chartered Life Underwriter.

The Property and Casualty examination will be waived for those who submit proof that they have been awarded the designation of Chartered Property and Casualty Underwriter.

4. Licenses Requiring Written Examination Only.

a. Applicants for a VARIABLE LIFE AND ANNUITIES LICENSE must submit proof that they have successfully passed the National Association of Security Dealers examination.

b. Applicants for a TITLE INSURANCE LICENSE or a LENDING INSTITUTION TITLE LICENSE must successfully pass a written examination prescribed by the Commission.

5. Licenses Issued Upon Application Only, With No Prelicensing Requirements.

Limited Burial

Credit Life and Health

Dental Services

Legal Services

Limited Mutual Assessment Life and Health

Limited Mutual Assessment Property and Casualty

Mortgage Guaranty

Motor Club - (Licensing and Appointment is a one-step process done by the Automobile Club)

State Corporation Commission

Ocean Marine
Optometric Services
Travel Accident
Travel Baggage
Temporary Life and Health
Temporary Property and Casualty
Lending Institution Credit Life and Health
Lending Institution Mortgage Redemption

D. LICENSING REQUIREMENTS FOR AGENTS MOVING INTO VIRGINIA

1. All licensing requirements applicable to resident agents must be satisfied by agents moving into Virginia from other states. Waiver of study courses and/or examinations will be considered on the same grounds discussed in paragraphs 2 and 3 of Section C, above.
2. Virginia residence must be established before license applications can be considered.
3. Agents who had been licensed as nonresident Virginia agents will have all such nonresident licenses automatically terminated upon becoming Virginia residents, and no Virginia resident licenses can be issued until all resident agent prelicensing requirements have been met.
4. Agents who had been appointed as nonresident Virginia appointees will have all such nonresident appointments automatically terminated upon becoming Virginia residents. Upon receipt of resident agent licenses, such agents must seek new appointments from each company they wish to represent. Nonresident appointments are not transferable to resident appointments.

E. LICENSING REQUIREMENTS FOR NONRESIDENT AGENTS

1. Any license type that can be issued to a resident agent can also be issued to a nonresident agent.
2. Nonresident applicants may apply for licensing as nonresident agents by providing certification from the insurance department of their state or province of residence:
 - a. that the applicant is licensed (or if the state or province does not issue licenses for the classes involved, that the applicant is authorized or permitted) in that state or province to solicit, negotiate, procure, or effect the classes of insurance for which the license is being sought in Virginia;
 - b. that the applicant is conducting the business of insurance in that state or province in a satisfactory manner; and
 - c. that such state or province will issue a license to

a similarly qualified Virginia resident.

3. It is most important to remember that a nonresident license is dependent upon continuation of the agent's authority in his state or province of residence. If the agent's license or authority to act as an agent in his state or province of residence, for the same classes as his nonresident Virginia license, is revoked, suspended, or otherwise terminated, his nonresident Virginia license for such classes of insurance is automatically void.

F. LICENSING OF AGENCIES

1. With the exception of Temporary Licenses, agencies may apply for any license type available to individuals. Although, clearly, an agency cannot be expected to take a study course or pass an examination, it is required that an agency be licensed in order to solicit, negotiate, procure, or effect insurance coverage and/or to receive commission.
2. Sole proprietorships are not required to be licensed, but any trade name used by a sole proprietorship should be disclosed by an individual applicant on his license application form.
3. Partnerships and corporations must be licensed. In addition, each active partner and employee in a partnership must be licensed if he or she is to be an agent; and each officer, director, or employee of a corporation must be licensed if he or she is to be an agent. Licensing of a partnership or corporation does not convey any rights to the individuals involved. Each must apply for licensing and appointment in the normal manner.
4. Applicants for resident licenses must show that their formation has been duly recorded in a local court (if a partnership) or that they are duly chartered in Virginia (if a corporation). Further, corporations must submit documentation to show that their charters or articles of incorporation grant them the specific authority to act as an insurance agent or agency.
5. Nonresident applicants must submit with their application a certification from the insurance department of the applicant's state or province of domicile that:
 - a. the applicant is licensed or otherwise authorized in that state or province to solicit, negotiate, procure, or effect the classes of insurance for which a Virginia license is being sought;
 - b. the applicant is conducting the business of insurance in that state or province in a satisfactory manner;
 - c. if the applicant is a corporation, it is authorized in its charter or other papers of incorporation to act

State Corporation Commission

as an insurance agent;

d. if the applicant is a partnership, its existence is properly recorded pursuant to the laws of the state or province of domicile; and

e. the other state or province will issue a license to a similarly qualified Virginia applicant.

G. APPOINTMENT PROCEDURES

1. No company may appoint an agent unless such agent is licensed in the same classes of insurance for which the appointment is being made.

2. An appointment must be made by a company within 30 days of the date of execution of the first application submitted by the agent. Companies should verify this before filing appointment forms with the Commission. The agent must also be notified of his appointment within the same 30 day period.

3. Upon receipt of an appointment form, the Bureau will verify that the agent holds an appropriate license, and that the appointment is proper. The appointing company will be notified within five days of the Bureau's receipt of an appointment either that the appointment is invalid or that the appointment has been recorded and that the agent has been so notified.

4. An agent may continue to solicit, negotiate, procure, and effect insurance on behalf of a company for a period of 45 days from the date of execution of the first application submitted to that company. If he has not received an acknowledgment of appointment from the Bureau within such 45 day period, he must cease soliciting, negotiating, procuring, or effecting insurance on behalf of that company until he receives such acknowledgment.

5. An appointment of an agent or agency will remain valid, so long as the company's authority continues, until terminated, suspended, or revoked by the Commission, or until terminated by the company. When the company terminates the agent's or agency's appointment, it must notify the agent or agency of such action within five days, and must file an Appointment Cancellation form with the Commission within 30 days.

H. LICENSING FORMS AND FEES

1. Application Form PIN300A - Fee: \$15.00

This form is to be used for individuals applying for license types requiring a written examination. It may be used to apply for both resident and nonresident licenses.

a. Apply for license type 01 (LIFE AND HEALTH) if application is for:

LIFE AND HEALTH

BURIAL

COOPERATIVE NONPROFIT LIFE BENEFIT

MUTUAL ASSESSMENT LIFE AND HEALTH

MORTGAGE ACCIDENT AND SICKNESS

LIFE AND HEALTH INSURANCE CONSULTANT (preliminary to applying for Consultant's License)

b. Apply for license type 30 (PROPERTY AND CASUALTY) if application is for:

PROPERTY AND CASUALTY

MUTUAL ASSESSMENT PROPERTY AND CASUALTY

PROPERTY AND CASUALTY INSURANCE CONSULTANT (preliminary to applying for Consultant's License)

c. Apply for license type 33 (TITLE) if application is for:

TITLE

d. Apply for license type 40 (HEALTH) if application is for:

HEALTH

2. Application Form PIN405A - Fee: \$15.00

This form is to be used for individuals applying for license types not requiring a written examination administered by the Commission. It may be used to apply for both resident and nonresident licenses. Form PIN405A may be used to request the following license types:

03 - TEMPORARY LIFE AND HEALTH (Death or Disability of Agent, Sale of Agency)

06 - TEMPORARY LIFE AND HEALTH (Debit)

09 - VARIABLE LIFE AND ANNUITY (Proof of passing NASD exam must be submitted)

10 - LIMITED BURIAL

12 - LIMITED MUTUAL ASSESSMENT LIFE AND HEALTH

14 - TRAVEL ACCIDENT

15 - CREDIT LIFE AND HEALTH

31 - TEMPORARY PROPERTY AND CASUALTY

34 - OCEAN MARINE

35 - LIMITED MUTUAL ASSESSMENT PROPERTY AND CASUALTY

36 - TRAVEL BAGGAGE

37 - MORTGAGE GUARANTY

41 - LEGAL SERVICES

State Corporation Commission

to accept applications and appointments received on the old forms for a period of sixty (60) days from July 1, 1987. If, however, the old form cannot be used for the license type or appointment type being requested, the Bureau will have no choice but to reject the application and require same to be resubmitted in proper form.

We have, due to the numerous law changes and resulting revision of forms, printed only a limited amount of each form until we are certain they will serve our purposes. It is requested, therefore, that those requesting supplies of forms PLEASE LIMIT YOUR REQUESTS TO NO MORE THAN A 30 DAY SUPPLY. The Bureau will reduce the number of forms sent to anyone requesting what the Bureau considers to be an unreasonable number of forms.

As stated earlier, this letter is intended to explain the procedures being implemented for licensing and appointment of agents. Your attention is directed to Title 38.2, Chapter 18 of the Code of Virginia, as amended effective July 1, 1987, for more information concerning other changes as discussed in Administrative Letter 1987-7.

Enclosed herewith you will find step-by-step instructions for obtaining each type of license, as well as copies of each of the forms we have described.

Due to the complexity of the changes described herein, we ask that you refrain from making inquiries concerning these procedures by telephone or in person. Questions or requests for clarification should be submitted, IN WRITING, to:

Agents Licensing Section
Bureau of Insurance
State Corporation Commission of Virginia
Post Office Box 1157
Richmond, Virginia 23209

/s/ Steven T. Foster
Commissioner of Insurance

Title of Regulation: Procedures for Becoming Licensed and Appointed as an Insurance Agent in Virginia.

I. REQUIREMENTS.

1. You must be at least eighteen years of age.
2. You are not required to be a citizen of the United States.
3. You may not solicit, negotiate, procure, or effect insurance in Virginia unless you have obtained a license from the Commission. Such license must include within its scope the line of insurance being solicited, negotiated, procured, or effected, and the line of insurance must also be of a class authorized to be sold by the insurer on whose behalf you have solicited, negotiated, procured, or effected it.

4. Countersignature is not required in Virginia unless another state requires Virginia agents to have a countersignature by a resident agent in that state.

5. If you have been convicted of a violation of law, other than minor traffic violations, you must attach a certified and authenticated copy of the court order regarding any convictions arising from the trial proceedings to any applications that you submit to the Bureau. Your application will then be reviewed by Bureau personnel for approval to be licensed.

6. Sole Proprietorships are not required to be licensed, but any trade name used by a sole proprietorship should be disclosed by an individual applicant on his license application form.

7. Partnerships and corporations must be licensed. In addition, each active partner and employee in a partnership must be licensed if he is to be an agent; and each officer, director, or employee of a corporation must be licensed if he is to be an agent. Licensing of a partnership or corporation does not convey any rights to the individuals involved. Each individual must apply for licensing and appointment in the normal manner.

II. LICENSE AND APPOINTMENT TYPES.

Effective July 1, 1987, the following license and appointment types will be recognized in Virginia:

1. Burial.

License authorizes agent to represent only a company operating pursuant to Chapter 40 of Title 38.2.

Appointment may be made only by a company operating pursuant to Chapter 40 of Title 38.2.

2. Limited Burial.

License authorizes agent to sell group life certificates in amounts of \$5,000 or less on behalf of a burial association that is the group policyholder under an association group contract.

Appointment may be made by any appropriately licensed insurer.

3. Cooperative Nonprofit Life Benefit.

License authorizes agent to represent only an insurer operating pursuant to Chapter 38 of Title 38.2.

Appointment may be made only by a company operating pursuant to Chapter 38 of Title 38.2.

4. Credit Life and Health.

License authorizes agent to sell only Credit Life and

State Corporation Commission

Credit Accident and Sickness Insurance as defined in Chapter 37 of Title 38.2.

Appointment may be made by any company authorized to market Credit Life and/or Credit Accident and Sickness Insurance.

5. Dental Services.

License authorizes agent to represent only a Dental Services Plan operating pursuant to Chapter 45 of Title 38.2.

Appointment may be made only by a Dental Services Plan.

6. Health.

License authorizes agent to represent only a Health Services Plan operating pursuant to Chapter 42 of Title 38.2 or a Health Maintenance Organization operating pursuant to Chapter 43 of Title 38.2.

Appointment may be made only by a Health Services Plan or Health Maintenance Organization.

7. Legal Services.

License authorizes agent to represent only a Legal Services Plan operating pursuant to Chapter 44 of Title 38.2.

Appointment may be made only by a Legal Services Plan.

8. Life and Health.

License authorizes agent to sell any kind of Life Insurance, Accident and Sickness Insurance, or Annuities, except variable contracts, on behalf of any insurer authorized to market such classes of insurance in Virginia.

Appointment may be made by any insurer with authority to issue Life Insurance, Accident and Sickness Insurance, and/or Annuities.

9. Limited Mutual Assessment Life and Health.

License authorizes agent to represent only a Mutual Assessment Life, Accident and Sickness Insurer operating pursuant to Chapter 39 of Title 38.2, and only with respect to those classes of insurance specified in Category A of § 38.2-3902.

Appointment may be made only by a Mutual Assessment Life, Accident and Sickness Insurer, and only with respect to those classes of insurance specified in Category A of § 38.2-3902.

10. Mutual Assessment Life and Health.

License authorizes agent to represent only a Mutual Assessment Life, Accident and Sickness Insurer operating pursuant to Chapter 39 of Title 38.2.

Appointment may be made only by a Mutual Assessment Life, Accident and Sickness Insurer, and may include any class of insurance for which the insurer has authority.

11. Limited Mutual Assessment Property and Casualty.

License authorizes agent to represent only a Mutual Assessment Property and Casualty Insurer operating pursuant to Chapter 25 of Title 38.2, and only with respect to those classes of insurance specified in Categories A and B of § 38.2-2503.

Appointment may be made only by a Mutual Assessment Property and Casualty Insurer, and only with respect to those classes of insurance specified in Categories A and B of § 38.2-2503.

12. Mutual Assessment Property and Casualty.

License authorizes agent to represent only a Mutual Assessment Property and Casualty Insurer operating pursuant to Chapter 25 of Title 38.2.

Appointment may be made only by a Mutual Assessment Property and Casualty Insurer, and may include any class of insurance for which the insurer has authority.

13. Mortgage Accident and Sickness.

License authorizes agent to sell only Mortgage Accident and Sickness Insurance on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market Mortgage Accident and Sickness Insurance.

14. Mortgage Guaranty.

License authorizes agent to sell only Mortgage Guaranty Insurance on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market Mortgage Guaranty Insurance.

15. Motor Club.

License authorizes agent to sell contracts to assist Automobile Club members in matters relating to motor travel or the operation, use, or maintenance of a motor vehicle by supplying services which may include, but are not limited to, towing service, emergency road service, indemnification service, guaranteed arrest bond certificate service, discount service, financial service, theft service, map service,

or touring service only on behalf of licensed Automobile Clubs operating pursuant to Chapter 3.1 of Title 13.1.

Appointment may be made only by a licensed Automobile Club.

16. Ocean Marine.

License authorizes agent to sell only Ocean Marine Insurance as defined in § 38.2-126., except those kinds specifically classified as Inland Marine Insurance, on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurers authorized to market Ocean Marine Insurance.

17. Optometric Services.

License authorizes agent to represent only an Optometric Services Plan operating pursuant to Chapter 45 of Title 38.2.

Appointment may be made only by an Optometric Services Plan.

18. Property and Casualty.

License authorizes agent to sell any kind of Property and Casualty Insurance on behalf of any insurer authorized to market Property and Casualty Insurance.

Appointment may be made by any insurer with authority to issue Property and Casualty Insurance.

19. Surplus Lines Broker.

License authorizes an already licensed Property and Casualty agent to act as a Surplus Lines Broker in Virginia pursuant to Chapter 48 of Title 38.2.

Appointment - None.

20. Title.

License authorizes agent to represent only a Title Insurance company operating pursuant to Chapter 46 of Title 38.2.

Appointment may be made only by a title insurer.

21. Travel Accident.

License authorizes agent to sell only Travel Accident Insurance at transportation terminal buildings or as ticket selling agent of a railroad, steamship company, air carrier, or public bus carrier, on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized

to market Travel Accident Insurance.

22. Travel Baggage.

License authorizes agent to sell only Travel Baggage Insurance as the ticket selling agent of a railroad or steamship company, air carrier, or public bus carrier, on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market Travel Baggage Insurance.

23. Variable Life and Annuity.

License authorizes already licensed Life and Health agent to sell variable contracts on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market Variable Life and/or Variable Annuity Insurance.

4. Life and Health Consultant.

License authorizes licensee to act as a Life and Health Insurance Consultant in Virginia.

Appointment - None.

25. Property and Casualty Consultant.

License authorizes licensee to act as a Property and Casualty Insurance Consultant in Virginia.

Appointment - None.

26. Temporary Life and Health (Sale of Agency or Death or Disability of Agent).

License authorizes licensee to act as a Life and Health agent for one 90-day period.

Appointment may be made by any authorized insurer.

27. Temporary Property and Casualty (Sale of Agency or Death or Disability of Agent).

License authorizes licensee to act as a Property and Casualty agent for one 90-day period.

Appointment may be made by any authorized insurer.

28. Temporary Life and Health (Debit).

License authorizes licensee to act as an agent for a combination (Home Service) insurer for one 90-day period.

Appointment may be made by only one insurer selling Industrial or Ordinary Life Insurance or Accident and

State Corporation Commission

Sickness Insurance on a debit, where the premiums are payable at least monthly directly by the owner of the policy or a person representing the owner to a representative of the insurer.

29. Lending Institution Credit Life and Health.

License authorizes a lending institution, bank holding company, or their subsidiaries or affiliates, including any officer or employee thereof, to sell only Credit Life and Credit Accident and Sickness Insurance on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market Credit Life and/or Credit Accident and Sickness Insurance.

30. Lending Institution Life and Health.

License authorizes a lending institution, bank holding company, or their subsidiaries or affiliates, including any officer or employee thereof, to sell only Credit Life Insurance, Credit Accident and Sickness Insurance, Mortgage Redemption Insurance, Mortgage Accident and Sickness Insurance, Annuities purchased for the liquidation or partial liquidation of accounts accumulated in financial institutions, Nonconvertible Term Life Insurance rounded up to the next \$1,000 limited to amount and duration of a credit transaction, and Disability Insurance rounded up to the next \$100 of monthly payment limited to amount and duration of a credit transaction on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market insurance of the above types.

31. Lending Institution Mortgage Redemption.

License authorizes a lending institution, bank holding company, or their subsidiaries or affiliates, including any officer or employee thereof, to sell only Mortgage Redemption Insurance, as defined in § 38.2-1800, on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market Mortgage Redemption Insurance.

32. Lending Institution Single Interest.

License authorizes a lending institution, bank holding company, or their subsidiaries or affiliates, including any officer or employee thereof, to sell only Single Interest Insurance on behalf of any insurer licensed to offer such coverage in Virginia.

Appointment may be made by any insurer authorized to market Single Interest Insurance.

33. Lending Institution Title.

License authorizes a lending institution, bank holding company, or their subsidiaries or affiliates, including any officer or employee thereof, to sell only Title Insurance on behalf of any Title Insurance company operating pursuant to Chapter 46 of Title 38.2.

Appointment may be made by any Title insurer.

III. RELATIONSHIP BETWEEN AND AMONG LICENSES AND APPOINTMENTS.

1. No agent may solicit, negotiate, procure, or effect insurance in Virginia unless the agent has obtained a license from the Commission. Such license must include within its scope the line of insurance being solicited, negotiated, procured, or effected, and the line of insurance must also be of a class authorized to be sold by the insurer on whose behalf the agent has solicited, negotiated, procured, or effected it.

2. There are two license types that encompass others within their scope. Possession of one of these "umbrella" licenses precludes the need to obtain any of the more limited licenses falling under the umbrella.

a. One who has a LIFE AND HEALTH LICENSE does not need to apply for any of the following additional licenses:

Limited Mutual Assessment Life and Health

Mutual Assessment Life and Health

Temporary Life and Health

Burial

Limited Burial

Cooperative Nonprofit Life Benefit

Travel Accident

Credit Life and Health

Mortgage Accident and Sickness

Health

Dental Services

Optometric Services

Legal Services

An agent with a Life and Health License may be appointed under a Life and Health Appointment, or any of the limited appointment types listed above.

b. One who has a PROPERTY AND CASUALTY LICENSE does not need to apply for any of the following additional licenses:

Temporary Property and Casualty

Limited Mutual Assessment Property and Casualty

Mortgage Guaranty

Mutual Assessment Property and Casualty

Ocean Marine

Travel Baggage

An agent with a Property and Casualty License may be appointed under a Property and Casualty Appointment, or any of the limited appointment types listed above.

c. An agent, previously licensed under one of the limited license types, who obtains a more encompassing license, will no longer need the limited license. Appointments under that limited license will continue in effect.

3. Lending Institution Licenses and Appointments, as indicated above, are issued only to lending institutions, bank holding companies, or their subsidiaries or affiliates, including any officer or employee. Lending Institution Licenses and Appointments may be converted to their nearest equivalent ordinary licenses and appointments upon submission of proof that the individual is no longer an officer or employee of a lending institution, bank holding company, or its subsidiaries or affiliates; of, if an agency, that the agency is no longer a lending institution, bank holding company, or subsidiary thereof.

IV. LICENSING REQUIREMENTS FOR RESIDENTS.

1. Licenses Requiring Prelicensing Study Course and Written Examination.

a. All of the following license types require that the applicant successfully complete a 45 hour Life and Health study course and pass a written examination prescribed by the Commission. Upon successful completion of both, applicants will be issued a LIFE AND HEALTH LICENSE:

LIFE AND HEALTH

BURIAL

COOPERATIVE NONPROFIT LIFE BENEFIT

MUTUAL ASSESSMENT LIFE AND HEALTH

MORTGAGE ACCIDENT AND SICKNESS

LIFE AND HEALTH INSURANCE CONSULTANT

b. An applicant for a LENDING INSTITUTION LIFE AND HEALTH LICENSE must successfully complete a 45 hour Life and Health study course and pass a written examination prescribed by the Commission.

c. An applicant for a HEALTH AGENT LICENSE must successfully complete a 25 hour study course and pass a written examination prescribed by the Commission.

d. The following license types require that the applicant successfully complete a 45 hour Property and Casualty study course and pass a written examination prescribed by the Commission. Upon successful completion of both, applicants will be issued a PROPERTY AND CASUALTY LICENSE:

PROPERTY AND CASUALTY

MUTUAL ASSESSMENT PROPERTY AND CASUALTY

PROPERTY AND CASUALTY INSURANCE CONSULTANT

e. An applicant for a LENDING INSTITUTION SINGLE INTEREST LICENSE must successfully complete a 45 hour Property and Casualty study course and pass a written examination prescribed by the Commission.

2. Waiver of Study Course Requirements.

The Commission may allow an applicant to take the written examination without taking the required study course if the applicant submits proof in a form acceptable to the Commission that he has attained equivalent knowledge through employment experience as determined by the Commission. The employment experience shall include no less than one year of full-time experience as an employee of an insurer, an insurance department, an insurance agency, or equivalent employment as determined by the Commission. The employment experience shall have involved the performance of responsible insurance duties in connection with the kind of insurance for which the applicant has applied for a license. The applicant shall have completed the employment experience requirement not more than one year before applying for a license.

3. Waiver of Examination Requirement.

The Life and Health examination will be waived for those who submit proof that they have been awarded the designation of Chartered Life Underwriter. The Property and Casualty examination will be waived for those who submit proof that they have been awarded the designation of Chartered Property and Casualty

State Corporation Commission

Underwriter.

4. Licenses Requiring Written Examination Only.

a. Applicants for a VARIABLE LIFE AND ANNUITIES LICENSE must submit proof that they have successfully passed the National Association of Security Dealers examination.

b. Applicants for a TITLE INSURANCE LICENSE or a LENDING INSTITUTION TITLE LICENSE must successfully pass a written examination prescribed by the Commission.

5. Licenses Issued Upon Application Only, With No Prelicensing Requirements.

Limited Burial

Credit Life and Health

Dental Services

Legal Services

Limited Mutual Assessment Life and Health

Limited Mutual Assessment Property and Casualty

Mortgage Guaranty

Motor Club - (Licensing and Appointment is a one-step process done by the Automobile Club)

Ocean Marine

Optometric Services

Travel Accident

Travel Baggage

Temporary Life and Health

Temporary Property and Casualty

Lending Institution Credit Life and Health

Lending Institution Mortgage Redemption

V. LICENSING OF AGENCIES.

1. With the exception of Temporary Licenses, agencies may apply for any license type available to individuals. Although, clearly, an agency cannot be expected to take a study course or pass an examination, it is required that an agency be licensed in order to solicit, negotiate, procure, or effect insurance coverage, and/or to receive commissions.

2. Sole proprietorships are not required to be licensed,

but any trade name used by a sole proprietorship should be disclosed by an individual applicant on his license application form.

3. Partnerships and corporations must be licensed. In addition, each active partner and employee in a partnership must be licensed if he or she is to be an agent; and each officer, director, or employee of a corporation must be licensed if he or she is to be an agent. Licensing of a partnership or corporation does not convey any rights to the individuals involved. Each must apply for licensing and appointment in the normal manner.

4. Applicants for resident licenses must show that their formation has been duly recorded in a local court (if a partnership) or that they are duly chartered in Virginia (if a corporation). Further, corporations must submit documentation to show that their charters or articles of incorporation grant them the specific authority to act as an insurance agent or agency.

5. Nonresident applicants must submit with their application a certification from the insurance department of the applicant's state or province of domicile that:

a. The applicant is licensed or otherwise authorized in that state or province to solicit, negotiate, procure, or effect the classes of insurance for which a Virginia license is being sought;

b. The applicant is conducting the business of insurance in that state or province in a satisfactory manner;

c. If the applicant is a corporation, it is authorized in its charter or other papers of incorporation to act as an insurance agent;

d. If the applicant is a partnership, its existence is properly recorded pursuant to the laws of the state or province of domicile; and

e. The other state or province will issue a license to or otherwise authorize a similarly qualified Virginia applicant.

VI. APPOINTMENT PROCEDURES.

1. No company may appoint an agent unless such agent is licensed in the same classes of insurance for which the appointment is being made.

2. An appointment must be made by a company within 30 days of the date of execution of the first application submitted by the agent. Companies should verify this before filing appointment forms with the Commission. The agent must also be notified of his appointment within the same 30-day period.

State Corporation Commission

3. Upon receipt of an appointment form, the Bureau will verify that the agent holds an appropriate license, and that the appointment is proper. The appointing company will be notified within five days of the Bureau's receipt of an appointment either that the appointment is invalid or that the appointment has been recorded and that the agent has been so notified.

4. An agent may continue to solicit, negotiate, procure, and effect insurance on behalf of a company for a period of 45 days from the date of execution of the first application submitted to that company. If he has not received an Acknowledgement Of Appointment from the Bureau within such 45 day period, he must cease soliciting, negotiating, procuring, or effecting insurance on behalf of that company until he receives such acknowledgment.

5. An appointment of an agent or agency will remain valid, so long as the company's authority continues, until terminated, suspended, or revoked by the Commission, or until terminated by the company. When the company terminates the agent's or agency's appointment, it must notify the agent or agency of such action within 5 days, and must file an Appointment Cancellation form with the Commission within 30 days.

VII. PROCEDURES FOR LICENSING AND APPOINTING AS AGENTS INDIVIDUALS WHO ARE NOT EMPLOYEES OF A LENDING INSTITUTION, BANK HOLDING COMPANY, OR SUBSIDIARY THEREOF.

A. BURIAL (Appointment Type 11)

In order to be authorized to solicit, negotiate, procure, or effect Burial Insurance other than group life certificates in amounts of \$5,000 or less on behalf of a burial association that is the group policyholder under an association group contract:

NOTE: If you are already a licensed Life and Health agent, go to Step 7.

1. YOU must complete an approved 45 hour Life and Health study course. See Appendix A for the list of approved schools.

OR

YOU must have attained equivalent knowledge through employment experience as determined by the Commission. The employment experience shall include no less than one year of full-time experience as an employee of an insurer, an insurance department, an insurance agency, or equivalent employment as determined by the Commission. The employment experience shall have involved the performance of responsible insurance duties in connection with the kind of insurance for which you have applied for

a license. You must have completed the employment experience requirement not more than one year before applying for a license.

AND

2. YOU must submit a completed PIN300A form for Type 01 along with:

a. Certificate of Satisfactory Completion from the study course;

OR

b. Evidence of work experience;

AND

c. Certified check, bank or tellers check, or money order for \$15.00.

3. YOU may request that you be exempted from the written examination if you submit proof that you have attained a Chartered Life Underwriter (CLU) designation. If so, go to Step 6.

4. The BUREAU OF INSURANCE will send you an authority letter within one week from the date the Bureau receives your properly completed form.

5. YOU must take this letter with you to any of the examination sites listed in Appendix B. You must take the examination within six months of the date the Bureau received your application. (Applied date is indicated in the letter).

6. The BUREAU OF INSURANCE will send you a LIFE AND HEALTH LICENSE and a result letter if you passed the examination, or if the examination was waived. If you failed the examination, go to Step 11, otherwise proceed with Step 7.

7. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

8. The BURIAL SOCIETY you wish to represent must appoint you by submitting a PIN415A Form for a Type 11 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The BURIAL SOCIETY must also send you a copy of the Appointment Form within the same 30-day period.

9. The BUREAU OF INSURANCE will mail you and the Burial Society an Acknowledgement of Appointment within five days of receipt of the properly completed Appointment Form from the Burial Society. Return to Step 7 and repeat through Step 9

State Corporation Commission

for each Burial Society you wish to represent.

AND

10. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Burial Society until you receive such acknowledgment.

11. The BUREAU OF INSURANCE will send you two copies of the result letter if you failed the examination.

12. YOU must return one copy with another certified check, bank or tellers check, or money order for \$15.00 to the Bureau. Proceed from Step 4. You must wait 30 days before you can retake the examination. If you fail the examination three times, you must retake the 45 hour study course. Proceed from Step 1.

B. COOPERATIVE NONPROFIT LIFE BENEFIT. (Appointment Type 13)

In order to be authorized to solicit, negotiate, procure, or effect insurance on behalf of a Cooperative Nonprofit Life Benefit Insurance Company:

NOTE: If you are already a licensed Life and Health agent, go to Step 7.

1. YOU must complete an approved 45 hour Life and Health study course. See Appendix A for the list of approved schools.

OR

YOU must have attained equivalent knowledge through employment experience as determined by the Commission. The employment experience shall include no less than one year of full-time experience as an employee of an insurer, an insurance department, an insurance agency, or equivalent employment as determined by the Commission. The employment experience shall have involved the performance of responsible insurance duties in connection with the kind of insurance for which you have applied for a license. You must have completed the employment experience requirement not more than one year before applying for a license.

AND

2. YOU must submit a completed PIN300A form for Type 01 along with:

a. Certificate of Satisfactory Completion from the study course;

OR

b. Evidence of work experience;

c. Certified check, bank or tellers check, or money order for \$15.00.

3. YOU may request that you be exempted from the written examination if you submit proof that you have attained a Chartered Life Underwriter (CLU) designation. If so, go to Step 6.

4. The BUREAU OF INSURANCE will send you an authority letter within one week from the date the Bureau receives your properly completed form.

5. YOU must take this letter with you to any of the examination sites listed in Appendix B. You must take the examination within six months of the date the Bureau received your application. (Applied date is indicated in the letter).

6. The BUREAU OF INSURANCE will send you a LIFE AND HEALTH LICENSE and a result letter if you passed the examination, or if the examination was waived. If you failed the examination, go to Step 11, otherwise proceed with Step 7.

7. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

8. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 13 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

9. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 7 and repeat through Step 9 for each Company you wish to represent.

10. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

11. The BUREAU OF INSURANCE will send you two copies of the result letter if you failed the examination.

12. YOU must return one copy with another certified check, bank or tellers check, or money order for \$15.00 to the Bureau. Proceed from Step 4. You must

State Corporation Commission

wait 30 days before you can retake the examination. If you fail the examination three times, you must retake the 45 hour study course. Proceed from Step 1.

C. CREDIT LIFE AND HEALTH. (Appointment Type 15)

In order to be authorized to solicit, negotiate, procure, or effect Credit Life and Credit Accident and Sickness Insurance:

NOTE: If you are already a licensed Life and Health agent, go to Step 3.

1. YOU must submit a completed PIN405A form for Type 15 along with:

a. Certified check, bank or tellers check, or money order for \$15.00.

2. The BUREAU OF INSURANCE will send you a CREDIT LIFE AND HEALTH LICENSE.

3. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

4. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 15 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

5. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 3 and repeat through Step 5 for each Company you wish to represent.

6. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

D. DENTAL SERVICES. (Appointment Type 45)

In order to be authorized to solicit, negotiate, procure, or effect Dental Services Plan contracts:

NOTE: If you are already a licensed Life and Health agent, go to Step 3.

1. YOU must submit a completed PIN405A form for

Type 45 along with:

a. Certified check, bank or tellers check, or money order for \$15.00.

2. The BUREAU OF INSURANCE will send you a DENTAL SERVICES LICENSE.

3. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Dental Services Plan at the time the plan accepts your first application for a policy.

4. The DENTAL SERVICES PLAN you wish to represent must appoint you by submitting a PIN415A Form for a Type 45 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The PLAN must also send you a copy of the Appointment Form within the same 30-day period.

5. The BUREAU OF INSURANCE will mail you and the Plan an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Plan. Return to Step 3 and repeat through Step 5 for each Plan you wish to represent.

6. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Dental Services Plan until you receive such acknowledgment.

E. HEALTH. (Appointment Type 40).

In order to be authorized to solicit, negotiate, procure, or effect insurance on behalf of Health Services Plans or Health Maintenance Organizations:

NOTE: If you are already a licensed Life and Health agent, go to Step 7.

1. YOU must complete an approved 25 hour study course. See Appendix A for the list of approved schools.

OR

YOU must have attained equivalent knowledge through employment experience as determined by the Commission. The employment experience shall include no less than one year of full-time experience as an employee of an insurer, an insurance department, an insurance agency, or equivalent employment as determined by the Commission. The employment experience shall have involved the performance of

State Corporation Commission

responsible insurance duties in connection with the kind of insurance for which you have applied for a license. You must have completed the employment experience requirement not more than one year before applying for a license.

AND

2. YOU must submit a completed PIN300A form for Type 40 along with:

a. Certificate of Satisfactory Completion from the study course;

OR

b. Evidence of work experience;

AND

c. Certified check, bank or tellers check, or money order for \$15.00.

3. You may request that you be exempted from the written examination if you submit proof that you have attained a Chartered Life Underwriter (CLU) designation. If so, go to Step 6.

4. The BUREAU OF INSURANCE will send you an authority letter within one week from the date the Bureau receives your properly completed form.

5. YOU must take this letter with you to any of the examination sites listed in Appendix B. You must take the examination within six months of the date the Bureau received your application. (Applied date is indicated in the letter).

6. The BUREAU OF INSURANCE will send you a HEALTH LICENSE and a result letter if you passed the examination, or if the examination was waived. If you failed the examination, go to Step 11, otherwise proceed with Step 7.

7. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Health Services Plan or HMO at the time the plan or HMO accepts your first application for a policy.

8. The HEALTH SERVICES PLAN OR HMO you wish to represent must appoint you by submitting a PIN415A Form for a Type 40 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The HEALTH SERVICES PLAN or HMO must also send you a copy of the Appointment Form within the same 30-day period.

9. The BUREAU OF INSURANCE will mail you and the Health Services Plan or HMO an

Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the PLAN or HMO. Return to Step 7 and repeat through Step 9 for each plan or HMO you wish to represent.

10. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Health Services Plan Or HMO until you receive such acknowledgment.

11. The BUREAU OF INSURANCE will send you two copies of the result letter if you failed the examination.

12. YOU must return one copy with another certified check, bank or tellers check, or money order for \$15.00 to the Bureau. Proceed from Step 4. You must wait 30 days before you can retake the examination. If you fail the examination three times, you must retake the 25 hour study course. Proceed from Step 1.

F. LEGAL SERVICES. (Appointment Type 41)

In order to be authorized to solicit, negotiate, procure, or effect insurance on behalf of Legal Services Plans:

NOTE: If you are already a licensed Life and Health agent, go to Step 3.

1. YOU must submit a completed PIN405A form for Type 41 along with:

a. Certified check, bank or tellers check, or money order for \$15.00.

2. The BUREAU OF INSURANCE will send you a LEGAL SERVICES LICENSE.

3. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Legal Services Plan at the time the plan accepts your first application for a policy.

4. The LEGAL SERVICES PLAN you wish to represent must appoint you by submitting a PIN415A Form for a Type 41 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The LEGAL SERVICES PLAN must also send you a copy of the Appointment Form within the same 30-day period.

5. The BUREAU OF INSURANCE will mail you and the Legal Services Plan an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Plan.

State Corporation Commission

Return to Step 3 and repeat through Step 5 for each Plan you wish to represent.

6. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Legal Services Plan until you receive such acknowledgment.

G. LIFE AND HEALTH. (Appointment Type 01)

Under a LIFE AND HEALTH LICENSE, you may solicit, negotiate, procure, and effect the following types of insurance:

Accident and Sickness Insurance
Annuities
Burial Insurance
Cooperative Nonprofit Life Benefit Insurance
Credit Life and Credit Accident and Sickness
Dental Services
Health Insurance
Industrial Life
Legal Services
Life Insurance
Mortgage Accident and Sickness Insurance
Mutual Assessment Life and Health Insurance
Optometric Services
Travel Accident Insurance

In order to be authorized to solicit, negotiate, procure, or effect Life and Health Insurance:

1. YOU must complete an approved 45 hour study course. See Appendix A for the list of approved schools.

OR

YOU must have attained equivalent knowledge through employment experience as determined by the Commission. The employment experience shall include no less than one year of full-time experience as an employee of an insurer, an insurance department, an insurance agency, or equivalent employment as determined by the Commission.

The employment experience shall have involved the performance of responsible insurance duties in connection with the kind of insurance for which you have applied for a license. You must have completed the employment experience requirement not more than one year before applying for a license.

AND

2. YOU must submit a completed PIN300A form for Type 01 along with:

a. Certificate of Satisfactory Completion from the study course;

OR

b. Evidence of work experience;

AND

c. Certified check, bank or tellers check, or money order for \$15.00.

3. YOU may request that you be exempted from the written examination if you submit proof that you have attained a Chartered Life Underwriter (CLU) designation. If so, go to Step 6.

4. The BUREAU OF INSURANCE will send you an authority letter within one week from the date the Bureau receives your properly completed form.

5. YOU must take this letter with you to any of the examination sites listed in Appendix B. You must take the examination within six months of the date the Bureau received your application. (Applied date is indicated in the letter).

6. The BUREAU OF INSURANCE will send you a LIFE AND HEALTH LICENSE and a result letter if you passed the examination, or if the examination was waived. If you failed the examination, go to Step 11, otherwise proceed with Step 7.

7. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

8. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The appointment type must be one which is authorized for both the Company and you. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

9. The BUREAU OF INSURANCE will mail you and

State Corporation Commission

the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 7 and repeat through Step 9 for each Company you wish to represent.

10. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

11. The BUREAU OF INSURANCE will send you two copies of the result letter if you failed the examination.

12. YOU must return one copy with another certified check, bank or tellers check, or money order for \$15.00 to the Bureau. Proceed from Step 4. You must wait 30 days before you can retake the examination. If you fail the examination three times, you must retake the 45 hour study course. Proceed from Step 1.

H. LIMITED MUTUAL ASSESSMENT LIFE AND HEALTH. (Appointment Type 12)

In order to be authorized to solicit, negotiate, procure, or effect insurance on behalf of a Mutual Assessment Life and Health Insurance Company, limited to those types specified under Category A of § 38.2-3902 of the Code of Virginia:

NOTE: If you are already a licensed Life and Health agent, go to Step 3.

1. YOU must submit a completed PIN405A form for Type 12 along with:

a. Certified check, bank or tellers check, or money order for \$15.00.

2. The BUREAU OF INSURANCE will send you a LIMITED MUTUAL ASSESSMENT LIFE AND HEALTH LICENSE.

3. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Mutual Assessment Life and Health Company at the time the Company accepts your first application for a policy.

4. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 12 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

5. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 3 and repeat through Step 5 for each Company you wish to represent.

6. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

I. LIMITED MUTUAL ASSESSMENT PROPERTY AND CASUALTY. (Appointment Type 35)

In order to be authorized to solicit, negotiate, procure, or effect insurance on behalf of a Mutual Assessment Property and Casualty Insurance Company, limited to those types specified under Categories A and B of § 38.2-2503 of the Code of Virginia:

NOTE: If you are already a licensed Property and Casualty agent, go to Step 3.

1. YOU must submit a completed PIN405A form for Type 35 along with:

a. Certified check, bank or tellers check, or money order for \$15.00.

2. The BUREAU OF INSURANCE will send you a LIMITED MUTUAL ASSESSMENT PROPERTY AND CASUALTY LICENSE.

3. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Mutual Assessment Property And Casualty Company at the time the Company accepts your first application for a policy.

4. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 35 appointment to the Bureau Of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

5. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 3 and repeat through Step 5 for each Company you wish to represent.

6. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45

State Corporation Commission

days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

J. LIMITED BURIAL. (Appointment Type 10)

In order to be authorized to solicit, negotiate, procure, or effect group life certificates in amounts of \$5,000 or less on behalf of a burial association that is the group policyholder under an association group contract:

NOTE: If you are already a licensed Life and Health agent, go to Step 3.

1. YOU must submit a completed PIN405A form for Type 10 along with:
 - a. Certified check, bank or tellers check, or money order for \$15.00.
2. The BUREAU OF INSURANCE will send you a LIMITED BURIAL LICENSE.
3. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.
4. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 10 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send YOU a copy of the Appointment Form within the same 30-day period.
5. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 3 and repeat through Step 5 for each Company you wish to represent.
6. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

K. MORTGAGE ACCIDENT AND SICKNESS. (Appointment Type 38)

In order to be authorized to solicit, negotiate, procure, or effect Mortgage Accident and Sickness Insurance:

NOTE: If you are already a licensed Life and Health agent, go to Step 7.

1. YOU must complete an approved 45 hour Life and Health study course. See Appendix A for the list of approved schools.

OR

YOU must have attained equivalent knowledge through employment experience as determined by the Commission. The employment experience shall include no less than one year of full-time experience as an employee of an insurer, an insurance department, an insurance agency, or equivalent employment as determined by the Commission. The employment experience shall have involved the performance of responsible insurance duties in connection with the kind of insurance for which you have applied for a license. You must have completed the employment experience requirement not more than one year before applying for a license.

AND

2. YOU must submit a completed PIN300A form for Type 01 along with:

- a. Certificate of Satisfactory Completion from the study course;

OR

- b. Evidence of work experience;

AND

- c. Certified check, bank or tellers check, or money order for \$15.00.

3. YOU may request that you be exempted from the written examination if you submit proof that you have attained a Chartered Life Underwriter (CLU) designation. If so, go to Step 6.

4. The BUREAU OF INSURANCE will send you an authority letter within one week from the date the Bureau receives your properly completed form.

5. YOU must take this letter with you to any of the examination sites listed in Appendix B. You must take the examination within six months of the date the Bureau received your application. (Applied date is indicated in the letter).

6. The BUREAU OF INSURANCE will send you a LIFE AND HEALTH LICENSE and a result letter if you passed the examination, or if the examination was waived. If you failed the examination, go to Step 11, otherwise proceed with Step 7.

7. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by

State Corporation Commission

a Company at the time the Company accepts your first application for a policy.

8. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 38 or a Type 01 appointment, depending on the classes of insurance the Company is authorized to sell, to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

9. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 7 and repeat through Step 9 for each Company you wish to represent.

10. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

11. The BUREAU OF INSURANCE will send you two copies of the result letter if you failed the examination.

12. YOU must return one copy with another certified check, bank or tellers check, or money order for \$15.00 to the Bureau. Proceed from Step 4. You must wait 30 days before you can retake the examination. If you fail the examination three times, you must retake the 45 hour study course. Proceed from Step 1.

L. MORTGAGE GUARANTY. (Appointment Type 37)

In order to be authorized to solicit, negotiate, procure, or effect Mortgage Guaranty Insurance:

NOTE: If you are already a licensed Property and Casualty agent, go to Step 3.

1. YOU must submit a completed PIN405A form for Type 37 along with:

a. Certified check, bank or tellers check, or money order for \$15.00.

2. The BUREAU OF INSURANCE will send you a MORTGAGE GUARANTY LICENSE.

3. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

4. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 37 or a Type 30 appointment, depending on the classes of insurance the Company is authorized to sell, to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

5. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 3 and repeat through Step 5 for each Company you wish to represent.

6. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

M. MUTUAL ASSESSMENT LIFE AND HEALTH. (Appointment Type 02)

In order to be authorized to solicit, negotiate, procure, or effect insurance of all types authorized to be issued by a Mutual Assessment Life and Health Insurance Company:

NOTE: If you are already a licensed Life and Health agent, go to Step 7.

1. YOU must complete an approved 45 hour Life and Health study course. See Appendix A for the list of approved schools.

OR

YOU must have attained equivalent knowledge through employment experience as determined by the Commission. The employment experience shall include no less than one year of full-time experience as an employee of an insurer, an insurance department, an insurance agency, or equivalent employment as determined by the Commission. The employment experience shall have involved the performance of responsible insurance duties in connection with the kind of insurance for which you have applied for a license. You must have completed the employment experience requirement not more than one year before applying for a license.

AND

2. YOU must submit a completed PIN300A form for Type 01 along with:

a. Certificate of Satisfactory Completion from the study course;

State Corporation Commission

OR

b. Evidence of work experience;

AND

c. Certified check, bank or tellers check, or money order for \$15.00.

3. YOU may request that you be exempted from the written examination if you submit proof that you have attained a Chartered Life Underwriter (CLU) designation. If so, go to Step 6.

4. The BUREAU OF INSURANCE will send you an authority letter within one week from the date the Bureau receives your properly completed form.

5. YOU must take this letter with you to any of the examination sites listed in Appendix B. You must take the examination within six months of the date the Bureau received your application. (Applied date is indicated in the letter).

6. The BUREAU OF INSURANCE will send you a LIFE AND HEALTH LICENSE and a result letter if you passed the examination, or if the examination was waived. If you failed the examination, go to Step 11, otherwise proceed with Step 7.

7. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

8. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 02 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

9. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 7 and repeat through Step 9 for each Company you wish to represent.

10. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Mutual Assessment Life And Health Insurance Company until you receive such acknowledgment.

11. The BUREAU OF INSURANCE will send you two copies of the result letter if you failed the

examination.

12. YOU must return one copy with another certified check, bank or tellers check, or money order for \$15.00 to the Bureau. Proceed from Step 4. You must wait 30 days before you can retake the examination. If you fail the examination three times, you must retake the 45 hour study course. Proceed from Step 1.

N. MUTUAL ASSESSMENT PROPERTY AND CASUALTY. (Appointment Type 32)

In order to be authorized to solicit, negotiate, procure, or effect insurance of all types authorized to be issued by a Mutual Assessment Property and Casualty Insurance Company:

NOTE: If you are already a licensed Property and Casualty agent, go to Step 7.

1. YOU must complete an approved 45 hour Property and Casualty study course. See Appendix A for the list of approved schools.

OR

YOU must have attained equivalent knowledge through employment experience as determined by the Commission. The employment experience shall include no less than one year of full-time experience as an employee of an insurer, an insurance department, an insurance agency, or equivalent employment as determined by the Commission. The employment experience shall have involved the performance of responsible insurance duties in connection with the kind of insurance for which you have applied for a license. You must have completed the employment experience requirement not more than one year before applying for a license.

AND

2. YOU must submit a completed PIN300A form for Type 30 along with:

a. Certificate of Satisfactory Completion from the study course;

OR

b. Evidence of work experience;

AND

c. Certified check, bank or tellers check, or money order for \$15.00.

3. YOU may request that you be exempted from the written examination if you submit proof that you have attained a Chartered Property and Casualty

State Corporation Commission

Underwriter (CPCU) designation. If so, go to Step 6.

4. The BUREAU OF INSURANCE will send you an authority letter within one week from the date the Bureau receives your properly completed form.

5. YOU must take this letter with you to any of the examination sites listed in Appendix B. You must take the examination within six months of the date the Bureau received your application. (Applied date is indicated in the letter).

6. The BUREAU OF INSURANCE will send you a PROPERTY AND CASUALTY LICENSE and a result letter if you passed the examination, or if the examination was waived. If you failed the examination, go to Step 11, otherwise proceed with Step 7.

7. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

8. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 32 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

9. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 7 and repeat through Step 9 for each Company you wish to represent.

10. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Mutual Assessment Property And Casualty Insurance Company until you receive such acknowledgment.

11. The BUREAU OF INSURANCE will send you two copies of the result letter if you failed the examination.

12. YOU must return one copy with another certified check, bank or tellers check, or money order for \$15.00 to the Bureau. Proceed from Step 4. You must wait 30 days before you can retake the examination. If you fail the examination three times, you must retake the 45 hour study course. Proceed from Step 1.

O. OCEAN MARINE.
(Appointment Type 34)

In order to be authorized to solicit, negotiate, procure, or effect Ocean Marine Insurance:

NOTE: If you are already a licensed Property and Casualty agent, go to Step 3.

1. YOU must submit a completed PIN405A form for Type 34 along with:

a. Certified check, bank or tellers check, or money order for \$15.00.

2. The BUREAU OF INSURANCE will send you an OCEAN MARINE LICENSE.

3. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

4. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 32 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

5. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 3 and repeat through Step 5 for each Company you wish to represent.

6. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

P. OPTOMETRIC SERVICES.
(Appointment Type 46)

In order to be authorized to solicit, negotiate, procure, or effect Optometric Services Plan contracts:

NOTE: If you are already a licensed Life and Health agent, go to Step 3.

1. YOU must submit a completed PIN405A form for Type 46 along with:

a. Certified check, bank or tellers check, or money order for \$15.00.

2. The BUREAU OF INSURANCE will send you an OPTOMETRIC SERVICES LICENSE.

State Corporation Commission

3. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by an Optometric Services Plan at the time the Plan accepts your first application for a policy.

4. The OPTOMETRIC SERVICES PLAN you wish to represent must appoint you by submitting a PIN415A Form for a Type 46 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The PLAN must also send you a copy of the Appointment Form within the same 30-day period.

5. The BUREAU OF INSURANCE will mail you and the Plan an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Plan. Return to Step 3 and repeat through Step 5 for each plan you wish to represent.

6. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Optometric Services Plan until you receive such acknowledgment.

Q. PROPERTY AND CASUALTY. (Appointment Type 30)

Under a PROPERTY AND CASUALTY LICENSE, you may solicit, negotiate, procure, and effect the following types of insurance:

- Aircraft
- Animal
- Boiler and Machinery
- Burglary and Theft
- Commercial Multi-Peril
- Contingent and Consequential Losses
- Credit
- Farmowners
- Fidelity
- Fire
- Glass
- Home Protection
- Homeowners
- Marine
- Miscellaneous Property
- Mortgage Guaranty
- Motor Vehicle
- Mut'l Assessment Property and Casualty
- Ocean Marine Insurance
- Personal Injury Liability
- Property Damage Liability
- Travel Baggage
- Workers' Comp. and Employers' Liability

In order to be authorized to solicit, negotiate, procure,

or effect Property and Casualty Insurance:

1. YOU must complete an approved 45 hour study course. See Appendix A for the list of approved schools.

OR

YOU must have attained equivalent knowledge through employment experience as determined by the Commission. The employment experience shall include no less than one year of full-time experience as an employee of an insurer, an insurance department, an insurance agency, or equivalent employment as determined by the Commission. The employment experience shall have involved the performance of responsible insurance duties in connection with the kind of insurance for which the applicant has applied for a license. The applicant shall have completed the employment experience requirement not more than one year before applying for a license.

AND

2. YOU must submit a completed PIN300A form for Type 30 along with:

a. Certificate of Satisfactory Completion from the study course;

OR

b. Evidence of work experience;

AND

c. Certified check, bank or tellers check, or money order for \$15.00.

3. YOU may request that you be exempted from the written examination if you submit proof that you have attained a Chartered Property and Casualty Underwriter (CPCU) designation. If so, go to Step 6.

4. The BUREAU OF INSURANCE will send you an authority letter within one week from the date the Bureau receives your properly completed form.

5. YOU must take this letter with you to any of the examination sites listed in Appendix B. You must take the examination within six months of the date the Bureau received your application. (Applied date is indicated in the letter).

6. The BUREAU OF INSURANCE will send you a PROPERTY AND CASUALTY LICENSE and a result letter if you passed the examination, or if the examination was waived. If you failed the examination, go to Step 11, otherwise proceed with Step 7.

State Corporation Commission

7. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

8. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The appointment type must be one which is authorized for both the Company and you. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

9. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 7 and repeat through Step 9 for each Company you wish to represent.

10. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

11. The BUREAU OF INSURANCE will send you two copies of the result letter if you failed the examination.

12. YOU must return one copy with another certified check, bank or tellers check or money order for \$15.00 to the Bureau. Proceed from Step 4. You must wait 30 days before you can retake the examination. If you fail the examination three times, you must retake the 45 hour study course. Proceed from Step 1.

R. TITLE. (Appointment Type 33)

In order to be authorized to solicit, negotiate, procure, or effect Title Insurance:

1. YOU must submit a completed PIN300A form for Type 33 along with:

a. Certified check, bank or tellers check, or money order for \$15.00.

2. The BUREAU OF INSURANCE will send you an authority letter within one week from the date the Bureau receives your properly completed form.

3. YOU must take this letter with you to any of the examination sites listed in Appendix B. You must take the examination within six months of the date the Bureau received your application. (Applied date is indicated in the letter).

4. The BUREAU OF INSURANCE will send you a TITLE LICENSE and a result letter if you passed the examination. If you failed the examination, go to Step 9, otherwise proceed with Step 5.

5. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

6. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 33 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

7. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 5 and repeat through Step 7 for each Company you wish to represent.

8. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Title Company until you receive such acknowledgment.

9. The BUREAU OF INSURANCE will send you two copies of the result letter if you failed the examination.

10. YOU must return one copy with another certified check, bank or tellers check, or money order for \$15.00 to the Bureau. Proceed from Step 2. You must wait 30 days before you can retake the examination. Proceed from Step 1.

S. TRAVEL ACCIDENT. (Appointment Type 14)

In order to be authorized to solicit, negotiate, procure, or effect Travel Accident Insurance:

NOTE: If you are already a licensed Life and Health agent, go to Step 3.

1. YOU must submit a completed PIN405A form for Type 14 along with:

a. Certified check, bank or tellers check or money order for \$15.00.

2. The BUREAU OF INSURANCE will send you a TRAVEL ACCIDENT LICENSE.

3. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

4. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 14 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

5. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 3 and repeat through Step 5 for each Company you wish to represent.

6. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

T. TRAVEL BAGGAGE. (Appointment Type 36)

In order to be authorized to solicit, negotiate, procure, or effect Travel Baggage Insurance:

NOTE: If you are already a licensed Property and Casualty agent, go to Step 3.

1. YOU must submit a completed PIN405A form for Type 36 along with:

a. Certified check, bank or tellers check, or money order for \$15.00.

2. The BUREAU OF INSURANCE will send you a TRAVEL BAGGAGE LICENSE.

3. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

4. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 36 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

5. The BUREAU OF INSURANCE will mail you and

the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 3 and repeat through Step 5 for each Company you wish to represent.

6. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

VIII. PROCEDURES OF LICENSING AND APPOINTING AS AGENTS INDIVIDUALS WHO ARE EMPLOYEES OF A LENDING INSTITUTION, BANK HOLDING COMPANY, OR SUBSIDIARY THEREOF.

Lending Institution Licenses and Appointments are issued only to lending institutions, bank holding companies, or their subsidiaries or affiliates, including any officer or employee. Lending Institution Licenses and Appointments issued to individuals may be converted to their nearest equivalent ordinary licenses and Appointments upon submission of proof that you are no longer an officer or employee of a lending institution, bank holding company, or its subsidiaries or affiliates.

A. LENDING INSTITUTION CREDIT LIFE AND HEALTH. (Appointment Type 23)

In order to be authorized to solicit, negotiate, procure, or effect Credit Life and Credit Accident and Sickness Insurance under a Lending Institution License:

NOTE: If you are already a licensed Lending Institution Life and Health agent, go to Step 3.

1. YOU must submit a completed PIN405C form for Type 23 along with:

a. Certified check, bank or tellers check, or money order for \$15.00.

2. The BUREAU OF INSURANCE will send you a LENDING INSTITUTION CREDIT LIFE AND HEALTH LICENSE.

3. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

4. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 23 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy

State Corporation Commission

of the Appointment Form within the same 30-day period.

5. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 3 and repeat through Step 5 for each Company you wish to represent.

6. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

B. LENDING INSTITUTION LIFE AND HEALTH. (Appointment Type 17)

In order to be authorized to solicit, negotiate, procure, or effect Mortgage Accident and Sickness Insurance, Mortgage Redemption Insurance, Annuities purchased for the liquidation or partial liquidation of accounts accumulated in financial institutions, Credit Life and Credit Accident and Sickness Insurance, Nonconvertible Term Life Insurance rounded up to the next \$1,000 limited to amount and duration of a credit transaction and Disability Insurance rounded up to the next \$100 of monthly payment limited to amount and duration of a credit transaction under a Lending Institution License:

1. YOU must complete an approved 45 hour Life and Health study course. See Appendix A for the list of approved schools.

OR

YOU must have attained equivalent knowledge through employment experience as determined by the Commission. The employment experience shall include no less than one year of full-time experience as an employee of an insurer, an insurance department, an insurance agency, or equivalent employment as determined by the Commission. The employment experience shall have involved the performance of responsible insurance duties in connection with the kind of insurance for which you have applied for a license. You must have completed the employment experience requirement not more than one year before applying for a license.

AND

2. YOU must submit a completed PIN300C form for Type 17 along with:

a. Certificate of Satisfactory Completion from the study course;

OR

b. Evidence of work experience;

AND

c. Certified check, bank or tellers check, or money order for \$15.00.

3. YOU may request that you be exempted from the written examination if you submit proof that you have attained a Chartered Life Underwriter (CLU) designation. If so, go to Step 6.

4. The BUREAU OF INSURANCE will send you an authority letter within one week from the date the Bureau receives your properly completed form.

5. YOU must take this letter with you to any of the examination sites listed in Appendix B. You must take the examination within six months of the date the Bureau received your application. (Applied date is indicated in the letter).

6. The BUREAU OF INSURANCE will send you a LENDING INSTITUTION LIFE AND HEALTH LICENSE and a result letter if you passed the examination, or if the examination was waived. If you failed the examination, go to Step 11, otherwise proceed with Step 7.

7. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

8. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 17 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY shall also mail you a copy of the Appointment Form within the same 30-day period.

9. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 7 and repeat through Step 9 for each Company you wish to represent.

10. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

11. The BUREAU OF INSURANCE will send you two copies of the result letter if you failed the examination.

12. YOU must return one copy with another certified check, bank or tellers check, or money order for \$15.00 to the Bureau. Proceed from Step 4. You must wait 30 days before you can retake the examination. If you fail the examination three times, you must retake the 45 hour study course. Proceed from Step 1.

C. LENDING INSTITUTION MORTGAGE
REDEMPTION.
(Appointment Type 21)

In order to be authorized to solicit, negotiate, procure, or effect Mortgage Redemption Insurance under a Lending Institution License:

NOTE: If you are already a licensed Lending Institution Life and Health agent, go to Step 3.

1. YOU must submit a completed PIN405C form for Type 21 along with:

a. Certified check, bank or tellers check, or money order for \$15.00.

2. The BUREAU OF INSURANCE will send you a LENDING INSTITUTION MORTGAGE REDEMPTION LICENSE.

3. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

4. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 21 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

5. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 3 and repeat through Step 5 for each Company you wish to represent.

6. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

D. LENDING INSTITUTION SINGLE INTEREST.
(Appointment Type 22)

In order to be authorized to solicit, negotiate, procure, or effect Single Interest Insurance under a Lending

Institution License:

1. YOU must complete an approved 45 hour Property and Casualty study course. See Appendix A for the list of approved schools.

OR

YOU must have attained equivalent knowledge through employment experience as determined by the Commission. The employment experience shall include no less than one year of full-time experience as an employee of an insurer, an insurance department, an insurance agency, or equivalent employment as determined by the Commission. The employment experience shall have involved the performance of responsible insurance duties in connection with the kind of insurance for which the applicant has applied for a license. The applicant shall have completed the employment experience requirement not more than one year before applying for a license.

AND

2. YOU must submit a completed PIN300C form for Type 22 along with:

a. Certificate of Satisfactory Completion from the study course;

OR

b. Evidence of work experience;

AND

c. Certified check, bank or tellers check, or money order for \$15.00.

3. You may request that you be exempted from the written examination if you submit proof that you have attained a Chartered Property and Casualty Underwriter (CPCU) designation. If so, go to Step 6.

4. The BUREAU OF INSURANCE will send you an authority letter within one week from the date the Bureau receives your properly completed form.

5. YOU must take this letter with you to any of the examination sites listed in Appendix B. You must take the examination within six months of the date the Bureau received your application. (Applied date is indicated in the letter).

6. The BUREAU OF INSURANCE will send you a LENDING INSTITUTION SINGLE INTEREST LICENSE and a result letter if you passed the examination, or if the examination was waived. If you failed the examination, go to Step 11, otherwise proceed with Step 7.

State Corporation Commission

7. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

8. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 22 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

9. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 7 and repeat through Step 9 for each Company you wish to represent.

10. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

11. The BUREAU OF INSURANCE will send you two copies of the result letter if you failed the examination.

12. YOU must return one copy with another certified check, bank or tellers check, or money order for \$15.00 to the Bureau. Proceed from Step 4. You must wait 30 days before you can retake the examination. If you fail the examination three times, you must retake the 45 hour study course. Proceed from Step 1.

E. LENDING INSTITUTION TITLE. (Appointment Type 19)

In order to be authorized to solicit, negotiate, procure, or effect Title Insurance under a Lending Institution License:

1. YOU must submit a completed PIN300C form for Type 19 along with:

a. Certified check, bank or tellers check, or money order for \$15.00.

2. The BUREAU OF INSURANCE will send you an authority letter within one week from the date the Bureau receives your properly completed form.

3. YOU must take this letter with you to any of the examination sites listed in Appendix B. You must take the examination within six months of the date the Bureau received your application. (Applied date is indicated in the letter).

4. The BUREAU OF INSURANCE will send you a LENDING INSTITUTION TITLE LICENS E and a result letter if you passed the examination. If you failed the examination, go to Step 9, otherwise proceed with Step 5.

5. YOU may begin to solicit, negotiate, procure, and effect insurance of the type for which you have received a license; however, you must be appointed by a Company at the time the Company accepts your first application for a policy.

6. The COMPANY you wish to represent must appoint you by submitting a PIN415A Form for a Type 19 appointment to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The COMPANY must also send you a copy of the Appointment Form within the same 30-day period.

7. The BUREAU OF INSURANCE will mail you and the Company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the Company. Return to Step 5 and repeat through Step 7 for each Company you wish to represent.

8. If YOU have not received an Acknowledgement of Appointment from the Bureau of Insurance within 45 days of the date of execution of the first insurance application, YOU must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until you receive such acknowledgment.

9. The BUREAU OF INSURANCE will send you two copies of the result letter if you failed the examination.

10. YOU must return one copy with another certified check, bank or tellers check, or money order for \$15.00 to the Bureau. Proceed from Step 2. You must wait 30 days before you can retake the examination.

IX. PROCEDURES FOR LICENSING AND APPOINTING AGENCIES THAT ARE NOT LENDING INSTITUTIONS, BANK HOLDING COMPANIES, OR SUBSIDIARIES THEREOF.

With the exception of Temporary Licenses, agencies may apply for any license type available to individuals. Although, clearly, an agency cannot be expected to take a study course or pass an examination, it is required that an agency be licensed in order to solicit, negotiate, procure, or effect insurance coverage, and/or to receive commissions.

In order to be authorized to solicit, negotiate, procure, or effect insurance as a partnership or corporation:

1. An AUTHORIZED REPRESENTATIVE of the agency must submit a completed PIN405B form for

the appropriate type along with:

- a. Agency check for \$15.00;
 - b. If a corporation, documentation to show that the charter or articles of incorporation grant the agency the specific authority to act as an insurance agency;
 - c. If a partnership, documentation to show that the formation of the partnership has been duly recorded in a local court
2. The BUREAU OF INSURANCE will send the agency a license of the type requested.
 3. The AGENCY may begin to solicit, negotiate, procure, and effect insurance of the type of insurance for which it has received a license; however, it must be appointed by a Company at the time the Company accepts its first application for a policy.
 4. The COMPANY that the agency wishes to represent must appoint it by submitting a PIN415B Form to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The appointment date must be one which is authorized for both the Company and the agency. The COMPANY must also send the agency a copy of the Appointment Form within the same 30-day period.
 5. The BUREAU OF INSURANCE will mail the agency and the company an Acknowledgement Of Appointment within five days of receipt of the properly completed Appointment Form from the company. Return to Step 3 and repeat through Step 5 for each company the agency wishes to represent.
 6. If the AGENCY has not received an Acknowledgement Of Appointment from the Bureau Of Insurance within 45 days of the date of execution of the first insurance application, the AGENCY must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the Company until it receives such acknowledgment.
 7. It is important to note that licensing and appointment of an agency does not convey any rights to individual partners, officers, directors, or employees of the agency. Each individual must obtain appropriate licenses and appointments in his or her own name in order to transact business or receive commissions.
 8. Applicants for nonresident licenses should refer to Section XLG of these procedures.

X. PROCEDURES FOR LICENSING AND APPOINTING AGENCIES THAT ARE LENDING INSTITUTIONS, BANK HOLDING COMPANIES, OR SUBSIDIARIES THEREOF.

With the exception of Temporary Licenses, agencies may

apply for any license type available to individuals. Although, clearly, an agency cannot be expected to take a study course or pass an examination, it is required that an agency be licensed in order to solicit, negotiate, procure, or effect insurance coverage, and/or to receive commissions.

Lending Institution licenses and appointments are issued only to lending institutions, bank holding companies, or their subsidiaries or affiliates. Lending Institution licenses and appointments may be converted to their nearest equivalent ordinary licenses and appointments upon submission of proof that the agency is no longer a lending institution, bank holding company, or a subsidiary or affiliate thereof.

In order to be authorized to solicit, negotiate, procure or effect insurance as a partnership or corporation:

1. An AUTHORIZED REPRESENTATIVE of the agency must submit a completed PIN415C form for the appropriate type along with:
 - a. Agency check for \$15.00;
 - b. If a corporation, documentation to show that the charter or articles of incorporation grant the agency the specific authority to act as an insurance agency;
 - c. If a partnership, documentation to show that the formation of the partnership has been duly recorded in a local court.
2. The BUREAU OF INSURANCE will send the agency a license of the type requested.
3. The AGENCY may begin to solicit, negotiate, procure, and effect insurance of the type of insurance for which it has received a license; however, it must be appointed by a company at the time the company accepts its first application for a policy.
4. The COMPANY that the agency wishes to represent must appoint it by submitting a PIN415B Form to the Bureau of Insurance within 30 days of the date of execution of the first insurance application. The appointment type must be one which is authorized for both the company and the agency. The COMPANY must also send the agency a copy of the Appointment Form within the same 30-day period.
5. The BUREAU OF INSURANCE will mail the agency and the company an Acknowledgement Of Appointment Form within five days of receipt of the properly completed Appointment Form from the company. Return to Step 3 and repeat through Step 5 for each company the agency wishes to represent.
6. If the AGENCY has not received an Acknowledgement Of Appointment from the Bureau Of Insurance within 45 days of the date of execution of

State Corporation Commission

the first insurance application, the AGENCY must cease soliciting, negotiating, procuring, or effecting insurance on behalf of the company until it receives such acknowledgment.

7. It is important to note that licensing and appointment of an agency does not convey any rights to individual partners, officers, directors, or employees of the agency. Each individual must obtain appropriate licenses and appointments in his or her own name in order to transact business or receive commissions.

8. Applicants for nonresident licenses should refer to Section XI.G of these procedures.

XI. MISCELLANEOUS PROCEDURES.

A. Certifications.

May be requested by the company or individual. Must include Social Security number, number of certifications being requested, and a self-addressed envelope. There is NO FEE.

B. Clearance Letters.

Clearance letters must be requested by the individual, providing the Social Security number, the state the agent is moving to, and a self-addressed envelope. Request must be signed by the individual. All licenses and appointments will be terminated once an agent is cleared to another state. There is NO FEE.

C. Licensing Forms and Fees.

Agent is required to submit a fee of 15.00 when applying for a license. Fee must be submitted in the form of a certified check, bank or tellers check, or money order.

NOTE: Motor Club License fee is \$2.00.

APPLICATION FORM PIN300A - FEE: \$15.00

This form is to be used for individuals applying for license types requiring a written examination. It may be used to apply for both resident and nonresident licenses.

1. Apply for license type 01 (LIFE AND HEALTH) if application is for:

LIFE AND HEALTH

BURIAL

COOPERATIVE NONPROFIT LIFE BENEFIT

MUTUAL ASSESSMENT LIFE AND HEALTH

MORTGAGE ACCIDENT AND SICKNESS

LIFE AND HEALTH INSURANCE CONSULTANT
(preliminary to applying for Consultant's License)

2. Apply for license type 30 (PROPERTY AND CASUALTY) if application is for:

PROPERTY AND CASUALTY

MUTUAL ASSESSMENT PROPERTY AND CASUALTY

PROPERTY AND CASUALTY INSURANCE CONSULTANT
(preliminary to applying for Consultant's License)

3. Apply for license type 33 (TITLE) if application is for:

TITLE

4. Apply for license type 40 (HEALTH) if application is for:

HEALTH

APPLICATION FORM PIN405A - FEE: \$15.00

This form is to be used for individuals applying for license types not requiring a written examination administered by the Commission. It may be used to apply for both resident and nonresident licenses. Form PIN405A may be used to request the following license types:

03 - TEMPORARY LIFE AND HEALTH (Death or Disability of Agent, Sale of Agency)

06 - TEMPORARY LIFE AND HEALTH (Debit)

09 - VARIABLE LIFE AND ANNUITY (Proof of passing NASD exam must be submitted)

10 - LIMITED BURIAL

12 - LIMITED MUTUAL ASSESSMENT LIFE AND HEALTH

14 - TRAVEL ACCIDENT

15 - CREDIT LIFE AND HEALTH

31 - TEMPORARY PROPERTY AND CASUALTY

34 - OCEAN MARINE

35 - LIMITED MUTUAL ASSESSMENT PROPERTY AND CASUALTY

36 - TRAVEL BAGGAGE

37 - MORTGAGE GUARANTY

State Corporation Commission

41 - LEGAL SERVICES

45 - DENTAL SERVICES

46 - OPTOMETRIC SERVICES

APPLICATION FORM PIN300C - FEE: \$15.00

This form is to be used for individuals applying for LENDING INSTITUTION license types requiring a written examination. It may be used to apply for both resident and nonresident licenses. Form PIN300C may be used to apply for the following license types:

17 - LENDING INSTITUTION LIFE AND HEALTH

19 - LENDING INSTITUTION TITLE

22 - LENDING INSTITUTION SINGLE INTEREST

APPLICATION FORM PIN405C - FEE: \$15.00

This form is to be used for individuals applying for LENDING INSTITUTION license types not requiring a written examination. It may be used to apply for both resident and nonresident licenses. Form PIN405C may be used to apply for the following license types:

21 - LENDING INSTITUTION MORTGAGE REDEMPTION

23 - LENDING INSTITUTION CREDIT LIFE AND HEALTH

INDIVIDUAL APPOINTMENT FORM PIN415A FEE:
\$7.00 - APPOINTING INSURERS WILL BE
BILLED QUARTERLY

This form may be used by ALL insurers for appointment of individuals under any appointment type. The appointing company should be careful to make certain that the appointment type is within both the company's and agent's authority.

AGENCY LICENSE APPLICATION FORM PIN405B -
FEE: \$15.00

This form may be used by any partnership or corporation, other than banks, lending institutions, bank holding companies, or their subsidiaries. It may be used to apply for both resident and nonresident licenses. Form PIN405B may be used by agencies to apply for the following license types:

01 - LIFE AND HEALTH

02 - MUTUAL ASSESSMENT LIFE AND HEALTH

09 - VARIABLE LIFE AND ANNUITY

10 - LIMITED BURIAL

11 - BURIAL

12 - LIMITED MUTUAL ASSESSMENT LIFE AND HEALTH

13 - COOPERATIVE NONPROFIT LIFE BENEFIT

14 - TRAVEL ACCIDENT

15 - CREDIT LIFE AND HEALTH

30 - PROPERTY AND CASUALTY

32 - MUTUAL ASSESSMENT PROPERTY AND CASUALTY

33 - TITLE

34 - OCEAN MARINE

35 - LIMITED MUTUAL ASSESSMENT PROPERTY AND CASUALTY

36 - TRAVEL BAGGAGE

37 - MORTGAGE GUARANTY

38 - MORTGAGE ACCIDENT AND SICKNESS

40 - HEALTH

41 - LEGAL SERVICES

45 - DENTAL SERVICES

46 - OPTOMETRIC SERVICES

AGENCY APPLICATION FORM PIN415C - FEE: \$15.00

This form may be used by any partnership or corporation that is a bank, lending institution, bank holding company, or subsidiary thereof, to apply for LENDING INSTITUTION licenses. It may be used to apply for both resident and nonresident licenses. Form PIN415C may be used by such agencies to apply for the following license types:

17 - LENDING INSTITUTION LIFE AND HEALTH

19 - LENDING INSTITUTION TITLE

21 - LENDING INSTITUTION MORTGAGE REDEMPTION

22 - LENDING INSTITUTION SINGLE INTEREST

23 - LENDING INSTITUTION CREDIT LIFE AND HEALTH

AGENCY APPOINTMENT FORM PIN415B FEE: \$7.00
- APPOINTING INSURERS WILL BE BILLED

State Corporation Commission

QUARTERLY

This form may be used by ALL insurers for appointment of partnerships and corporations under any appointment type. The appointing company should be careful to make certain that the appointment type is within both the company's and the agency's authority.

APPOINTMENT FEES AND BILLING

Quarterly Billing - Applicable to all appointments except Motor Club.

In October, January, and April of each year, each company will be sent a list of all agents and agencies appointed by the company during the preceding quarter. This list will include agents and agencies appointed during that quarter even if they were also cancelled during that quarter.

The company will also receive a cover sheet summarizing the totals from the list and indicating the total amount payable. The fee is \$7.00 for each appointment made.

The cover sheet must be returned to the Bureau, along with the total fee shown, before the last day of the month in which it is received by the company.

Fourth Quarter Billing and Annual Renewal

In July of each year, each company will be sent a list including all agents and agencies appointed by the company during the preceding quarter, as well as all agents and agencies then actively appointed by the company. Agents and agencies who were appointed during the fourth quarter will appear twice, once for original appointment and once for renewal.

All agent and agency appointments are automatically renewed unless cancelled by June 30th. The company, then, must pay the renewal fee for all agents and agencies in the list, even if it determines that some are to be cancelled.

The company will receive a cover sheet summarizing the total number of appointments made in the fourth quarter and the total number of renewals, resulting in a total fee due. This total fee must be returned to the Bureau, along with the cover sheet, by the last day of July.

D. Cancellation of Appointment

Whether at renewal time or any other time, a company wishing to terminate an agent's or agency's appointment must notify the agent or agency of its decision within five days. Within 30 days, the company, by its designated representative, must submit a completed PIN492A Form to the Bureau. Upon receipt of the PIN492A Form, the Bureau will record the appointment termination. If the

termination was for cause, the Bureau may contact the company to request additional information.

An agent's or agency's license will terminate automatically at any time that a period of six months has elapsed during which time the agent or agency has no active appointments of a type authorized under that license.

E. Licensing Requirements for Agents Moving Into Virginia

1. All licensing requirements applicable to resident agents must be satisfied by agents moving into Virginia from other states. Waiver of study courses and/or examinations will be considered on the same grounds as explained in Section IV of these procedures.

2. Virginia residence must be established before license applications can be considered.

3. Agents who had been licensed as nonresident Virginia agents will have all such nonresident licenses automatically terminated upon becoming Virginia residents, and no Virginia resident licenses can be issued until all resident agent prelicensing requirements have been met.

4. Agents who had been appointed as nonresident Virginia appointees will have all such nonresident appointments automatically terminated upon becoming Virginia residents. Upon receipt of resident agent licenses, such agents must seek new appointments from each company they wish to represent. Nonresident appointments are not transferable to resident appointments.

5. In addition to the requirements set forth in Section IV of these procedures, the applicant must submit a clearance letter from his or her former state of residence.

F. Licensing Requirements for Nonresident Agents

1. Any license type that can be issued to a resident agent can also be issued to a nonresident agent.

2. Nonresident applicants may apply for licensing as nonresident agents by providing certification from the insurance department of their state or province of residence:

a. That the applicant is licensed (or if the state or province does not issue licenses for the classes involved, that the applicant is authorized or permitted) in that state or province to solicit, negotiate, procure, or effect the classes of insurance for which the license is being sought in Virginia;

b. That the applicant is conducting the business of

State Corporation Commission

insurance in that state or province in a satisfactory manner; and

c. That such state or province will issue a license to a similarly qualified Virginia resident.

3. It is most important to remember that a nonresident license is dependent upon continuation of the agent's authority in his or her state or province of residence. If the agent's license or authority to act as an agent in his or her state or province of residence, for the same classes as his or her nonresident Virginia license, is revoked, suspended, or otherwise terminated, his or her nonresident Virginia license for such classes of insurance is automatically void.

G. Licensing Requirements for Nonresident Agencies

1. Any license type that can be issued to a resident agency can also be issued to a nonresident agency.

2. An agency will be considered nonresident, regardless of its business address, if it is incorporated (if a corporation) or formed (if a partnership) in any state or province other than Virginia.

3. In addition to submission of appropriate licensing forms and fees, nonresident agency applicants must submit with their applications a certification from the insurance department of the agency's state or province of domicile that:

a. The applicant is licensed or otherwise authorized in that state or province to solicit, negotiate, procure, or effect the classes of insurance for which a Virginia license is being sought;

b. The applicant is conducting the business of insurance in that state or province in a satisfactory manner;

c. If the applicant is a corporation, it is authorized in its charter or other papers of incorporation to act as an insurance agent;

d. If the applicant is a partnership, its existence is properly recorded pursuant to the laws of the state or province of domicile; and

e. The other state or province will issue a license to a similarly qualified Virginia applicant.

H. Name and Address Changes

Each licensed agent is required by law to notify this Bureau in writing of any change of residence or name. Include in request:

1. Social Security Number;

2. Old Address/Name;

3. New Address/Name;

4. Copy of Divorce Decree if agent is changing current name to a previous name.

Any licensed agent who has moved his residence from this Commonwealth shall have all licenses terminated by the Commission.

I. Temporary Licenses and Appointments

1. Temporary licenses and appointments may be issued to individuals not qualified for a permanent license and appointment in the following circumstances:

a. Upon the death of an agent, to his personal representative, surviving spouse, employee or next of kin;

b. Upon the inability of an agent to act because of sickness, injury, or mental incapacity, to his spouse, next of kin, employee or legal representative;

c. Upon the sale of an agent's business, to any person employed in the business, or if none available, to any person deemed suitable by the Commission;

d. To an applicant who is to be an appointed agent of a combination insurer, (Type 06) and who will be assigned a debit and will actually collect the premiums on insurance contracts during the period of such temporary license. A "combination insurer" means an insurer selling industrial or ordinary life insurance or accident and sickness insurance on a debit, where the premiums are payable at least monthly directly by the owner of the policy or a person representing the owner to a representative of the insurer.

2. Maximum duration of a temporary license and appointment is 90 days from the issue date of the license.

3. An individual can be issued ONLY ONE temporary license of each kind during his or her lifetime.

4. To request a Temporary License:

a. Submit PIN405A with a certified check, bank or tellers check, or money order for \$15.00.

5. To request a Temporary Appointment:

a. Company submits a completed PIN405A for license types 03, 06, or 31.

J. Insurance Consultants

1. Anyone who, for a fee, advises or purports to

State Corporation Commission

advise in the area of Life Insurance, Accident and Sickness Insurance, Property and Casualty Insurance, or Health Care Services as defined in the Code of Virginia is required to be licensed as an insurance consultant. The only exceptions are:

- a. A licensed attorney acting in a professional capacity;
- b. A trust officer of a bank acting in the normal course of his or her employment;
- c. An actuary or certified public accountant who consults during the normal course of business;
- d. Any person employed as a risk manager and who consults for his or her employer only.

2. There are two types of licenses available: Life and Health Insurance Consultant Property and Casualty Insurance Consultant. If you wish to consult in both fields, you must apply for both licenses, using two separate applications.

3. In order to become a licensed insurance consultant:

- a. You must first become a licensed agent in the field of insurance in which you wish to consult, including satisfaction of all preclicensing requirements.
- b. You must then submit a completed PIN370A Form along with a certified check, bank or tellers check, or money order for \$50.00.
- c. Nonresident applicants must also submit a certification from the insurance department of their state of residence that:
 - (i) the applicant is licensed in that state or province as an insurance consultant;
 - (ii) the applicant is conducting the business of consulting in such state or province in a satisfactory manner; and
 - (iii) such other state or province will issue a license to a similarly qualified applicant from Virginia.

4. Corporations and partnerships seeking consultant licenses must first satisfy all Life and Health agency or Property and Casualty agency requirements. Once so licensed, such agencies may apply for consultant licenses using a PIN370A Form and submitting an agency check in the sum of \$50.00. The applicant, if a corporation, must submit documentation to show that it has specific authority in its charter or articles of incorporation to act as an insurance consultant; and if a partnership, that its existence is properly recorded pursuant to the laws of its state or province of domicile.

5. Nonresident applicants must also submit a certification from the insurance department of the state of domicile that:

- a. The applicant is licensed in that state or province as an insurance consultant;
- b. The applicant is conducting the business of consulting in such state or province in a satisfactory manner; and
- c. Such other state or province will issue a license to a similarly qualified applicant from Virginia.

6. Upon receipt of a completed PIN370A Form and licensing fee, the BUREAU OF INSURANCE will send the consultant the appropriate license.

7. It should be noted that if a financial planner/insurance consultant is also dealing in the area of securities, he or she must also contact the Division of Securities of the State Corporation Commission of Virginia with regard to additional registration requirements.

K. Requesting Forms

Requests for forms must be submitted IN WRITING along with a self-addressed envelope or mailing label to:

Agents Licensing Section
Bureau of Insurance
State Corporation Commission
Post Office Box 1157
Richmond, Virginia 23209

APPENDIX A

May 22, 1987

LIST OF APPROVED SCHOOLS FOR PROSPECTIVE VIRGINIA LIFE AND HEALTH AGENTS

TIDEWATER INSURANCE INSTITUTE
4970 Cleveland Street
Virginia Beach, Virginia 23462
Contact: Don Overman
PH: 804-499-8802

THE RICHMOND VIRGINIA ASSOCIATION OF LIFE UNDERWRITERS
1380 Castleton Road
Richmond, Virginia 23225
Contact: Mrs. Maxine W. Winn
Executive Secretary
PH: 804-282-5144

INVESTMENT INSTITUTE
THE BLITZ SCHOOL
23077 Greenfield LL 11
Southfield, Michigan 48075

State Corporation Commission

Contact: Mr. Harry G. Turner, CLU
PH: 800-521-3395

INSURANCE SEMINARS
121 Avebury Drive
Richmond, Virginia 23236
Contact: Mr. Gordon B. Lawrence, Director
PH: 804-794-9117

DANVILLE COMMUNITY COLLEGE
1008 South Main Street
Danville, Virginia 24541
Contact: Mr. Max R. Glass, Director
Continuing Education
PH: 804-797-3553

VIRGINIA HIGHLANDS COMMUNITY COLLEGE
P.O. Box 828
Abingdon, Virginia 24210
Contact: Dr. Ashe
PH: 703-628-6094

ROANOKE COUNTY SCHOOLS
526 South College Avenue
Salem, Virginia 24153
Contact: Mr. Gerland J. Kidd
Supervisor, Marketing and
Distributive Education
PH: 703-387-6450

J. SARGEANT REYNOLDS COMMUNITY COLLEGE
P.O. Box 12084
Richmond, Virginia 23241
Contact: Mr. N.C. Peterson, Jr.
Director of Continuing Education
PH: 804-264-3250

ARLINGTON PUBLIC SCHOOLS
2700 S. Lang Street
Arlington, Virginia 22206
Contact: Mr. Paul J. Hartman
Supervisor, Marketing and
Distributive Education
PH: 703-684-8188

BEDSOLE SCHOOL OF INSURANCE
5204-B Rolling Road
Burke, Virginia 22015
Contact: Mr. Bedsole
PH: 703-323-5565

UNITED VIRGINIA ASSOCIATES, INC.
7921-A W. Broad Street, No. 105
Richmond, Virginia 23229
Contact: Robert Barlow
PH: 804-747-1428

RADFORD UNIVERSITY
Department of Business
Radford, Virginia 24142
Contact: Dr. Clarence C. Rose

Associate Professor,
Department of Business
PH: 703-831-5218

FAIRFAX COUNTY PUBLIC SCHOOLS
Department of Vocational, Adult and Community Education
7510 Lisle Avenue
Falls Church, Virginia 22043
Contact: Mr. Russell L. Crosier
Acting Director
PH: 703-893-1090

EASTERN SHORE COMMUNITY COLLEGE
Route 1, Box 6
Melfa, Virginia 23410-9755
Contact: Mr. Roy J. Mink, Jr., Chairman
Division of Applied Arts
and Sciences
PH: 804-787-3972

A.L. WILLIAMS
2302 Parklake Drive, N.E.
Suite 260
Atlanta, Georgia 30345
Contact: Mr. Kevin S. King
General Counsel
PH: 404-934-9472

ESTATE PLANNING SERVICE
712 Spruce Street
P.O. Box 4906
Martinsville, Virginia 24115
Contact: Mr. Charles D. Willis, Jr.
Agency Director
PH: 703-632-9192

THE DAVIS INSURANCE AGENCY
United Bank Building, Suite 110
9401 Indian Head Highway
P.O. Box 55496
Fort Washington, Maryland 20744
Contact: William H. Davis,
General Agent
PH: 301-248-4400

LEGG, MASON, WOOD, WALKER, INC.
7 East Redwood Street
Baltimore, Maryland 21203
Contact: Mr. Lee Josephs
PH: 301-539-3400

VIRGINIA WESTERN COMMUNITY COLLEGE
3095 Colonial Avenue, S.W.
P.O. Box 14065
Roanoke, Virginia 24038
Contact: Mr. Ronald L. Coleman
Director, Continuing Education
PH: 703-982-7281

HAMPTON CITY SCHOOLS
1819 Nickerson Boulevard

State Corporation Commission

Hampton, Virginia 23663
Contact: Mr. Barry L. Buchanan
Director, Adult Education
PH: 804-838-9559

BROKERS INSURANCE LICENSE SERVICES, INC.
144 East 37th Street
New York, New York 10016
Contact: Mr. Eugene T. Hay, President
PH: 212-679-4600

JOHNSON'S SCHOOL OF INSURANCE
1310 E. Ocean View Avenue
Norfolk, Virginia 23503
Contact: Mr. Claude D. Johnson, CLU
PH: 804-587-3970

WHEAT INSURANCE SERVICES
707 East Main Street
Richmond, Virginia 23219
Contact: Mr. Richard D. Adams
Vice President
PH: 804-649-2311

PATRICK HENRY COMMUNITY COLLEGE
P.O. Drawer 5311
Martinsville, Virginia 24115
Contact: Anne Burgess
PH: 703-638-8777

BLUE RIDGE COMMUNITY COLLEGE
Box 80
Weyers Cave, Virginia 24486
Contact: Craig Weidemann, Director
of Continuing Education
PH: 703-234-9261

FIRST FINANCIAL GROUP
707 East Main Street
Richmond, Virginia 23208
PH: 804-643-3591

SOUTHWEST VIRGINIA COMMUNITY COLLEGE
Richlands, Virginia 24641
Contact: Mr. Frank Horton
PH: 703-964-2555

AMERICAN ACADEMY OF INSURANCE
869 Chimney Hill Shopping Center
Virginia Beach, Virginia 23452
Contact: Alan Harvie

BLUERIDGE COMMUNITY COLLEGE
P.O. Box 80
Weyers Cave, Virginia 24486
Contact: Mrs. Stroop
PH: 703-234-9261

PIEDMONT VIRGINIA COMMUNITY COLLEGE
Route 6, Box 1A
Charlottesville, Virginia 22901

Contact: Forrest McKay
PH: 804-977-3900

LORD FAIRFAX COMMUNITY COLLEGE
P.O. Box 47
Middletown, Virginia 22645
Contact: Ronald Ludwick
PH: 703-869-1120

KING COLLEGE
Bristol, Tennessee 37620
Contact: James Davis
PH: 615-968-1187

THE INSURANCE SCHOOL
P.O. Box 1396
Roanoke, Virginia 24007
Contact: Horace McDaniel
PH: 703-563-9014

WYTHEVILLE COMMUNITY COLLEGE
1000 East Main Street
Wytheville, Virginia 24382
Contact: Lee Hall
PH: 703-228-5541

MT. EMPIRE COMMUNITY COLLEGE
Drawer 700
Big Stone Gap, Virginia 24219
Contact: Sue Blackwell
PH: 703-386-9484

RAPPAHANNOCK COMMUNITY COLLEGE
North Campus
Warsaw, Virginia 22572
Contact: Ron Carter
PH: 804-333-4024

INVESTMENT PLANNING SERVICES, INC.
10335 Democracy Lane
Fairfax, Virginia 22030
Contact: Jarratt Bennett
PH: 703-352-9100

HELMS AND ASSOCIATES
412 Fourth Avenue
Farmville, Virginia 23901
Contact: James Helms
PH: 804-392-5281

STOUT INSURANCE AGENCY
608 Cardimon Drive
Virginia Beach, Virginia 23462
Contact: Mr. Stout
PH: 804-420-5818

ACQUISITION AND MERGER CONSULTANTS, INC.
P.O. Box 2273
Virginia Beach, Virginia 23452
Contact: C.W. Blaylock
PH: 804-340-3025

State Corporation Commission

NEW RIVER COMMUNITY COLLEGE
Drawer 1127
Dublin, Virginia 24084
Contact: Ronald Chaffin
PH: 703-674-4121

PROFESSIONAL TRAINING INSTITUTE, INC.
121 Belle Forest Circle
Nashville, Tennessee 37221
Contact: Sidney Goodwin
PH: 1-800-621-1314

SUFFOLK INSURANCE CORPORATION
P.O. Box 1280
202 Market Street
Suffolk, Virginia 23434
Contact: John Woleben
PH: 804-539-9988

WESTERN VIRGINIA INSURANCE, INC.
P.O. Box 1118
Pulaski, Virginia 24301
Contact: Charles Shomo
PH: 703-980-6485

THOMAS MCKINNON SECURITIES, INC.
1705 H Street, N.W.
Washington, D.C. 20006
Contact: Robert Cowden
PH: 202-872-6500

DEAN WITTER REYNOLDS, INC.
700 Building, 7th & Main Streets
Richmond, Virginia 23215
Contact: Walter Ellis
PH: 804-644-1142

NORFOLK ASSOCIATION OF LIFE UNDERWRITERS
Contact: Matt Marshall
PH: 804-461-4945

LIST OF APPROVED INSURANCE SCHOOLS FOR VIRGINIA PROPERTY AND CASUALTY AGENTS

BLUE RIDGE COMMUNITY COLLEGE
Box 80
Weyers Cave, Virginia 24486
Contact: Mrs. Betty Stroop
PH: 703-234-9261 EXT. 216

DANVILLE COMMUNITY COLLEGE
Danville, Virginia 24541
Contact: Dr. Max R. Glass
Dr. Harold D. Henry
PH: 804-797-3553, EXT. 230 or 274

DISTRIBUTIVE EDUCATION SERVICE ARLINGTON
PUBLIC SCHOOLS
2700 S. Lang Street
Arlington, Virginia 22206
Contact: Paul J. Hartman

Sharon Anderson
Jeanne Ainslie
PH: 703-684-8188

DISTRIBUTIVE EDUCATION SERVICE HAMPTON CITY
SCHOOLS
1300 Thomas Street
Hampton, Virginia 23669
Contact: Mr. Barry Buchanan
PH: 804-727-6432

DISTRIBUTIVE EDUCATION SERVICE HENRICO
COUNTY SCHOOLS
P.O. Box 40
Highland Springs, Virginia 23075
Contact: Mr. James B. Farr
PH: 804-737-3515

INDEPENDENT INSURANCE AGENTS OF VIRGINIA,
INC.
8600 Mayland Drive
Richmond, Virginia 23229
Contact: Mr. Ted Smith
PH: 804-747-9300

INSURANCE SEMINARS, INC.
121 Avebury Drive
Richmond, Virginia 23236
PH: 804-794-9117

J. SARGENT REYNOLDS COMMUNITY COLLEGE
Box 12084
Richmond, Virginia 23241
Contact: Mr. N.C. Peterson, Jr.
PH: 804-264-3250

PATRICK HENRY COMMUNITY COLLEGE
P.O. Drawer 5311
Martinsville, Virginia 24112
Contact: Glenn Main
PH: 703-638-8777

RAPPAHANNOCK COMMUNITY COLLEGE
South Campus
Glenns, Virginia 23149
Contact: Mr. Rich Ughetto
PH: 804-758-5324

ROANOKE COUNTY SCHOOLS
526 College Avenue
Salem, Virginia 24153
Contact: Mr. Garland J. Kidd
PH: 703-387-6450

SOUTHWEST VIRGINIA COMMUNITY COLLEGE
Richlands, Virginia 24641
Contact: Mr. Carl Painter
PH: 703-964-2555

VIRGINIA HIGHLANDS COMMUNITY COLLEGE
P.O. Box 828

State Corporation Commission

Abingdon, Virginia 24210
Contact: Mr. Hubert J. Ashe
PH: 703-628-6094 EXT. 201 or 230

A.D. BANKER AND COMPANY
10955 Lowell, Suite 530
Overland Park, Kansas 66212
Contact: Mr. Leon Anderson
Director of Education
PH: 1-800-255-0408

VIRGINIA WESTERN COMMUNITY COLLEGE
3095 Colonial Avenue, S.W.
P.O. Box 14065
Roanoke, Virginia 24038
Contact: Mr. Ronald L. Coleman
Director of Continuing Education
PH: 703-982-7281

TIDEWATER INSURANCE INSTITUTE
4970 Cleveland Street
Virginia Beach, Virginia 23462
Contact: Don Overman
PH: 804-499-8802

PIEDMONT VIRGINIA COMMUNITY COLLEGE
Route 6, Box 1A
Charlottesville, Virginia 22901
Contact: Mr. C. Forrest McKay
PH: 804-977-3900

FAIRFAX COUNTY PUBLIC SCHOOLS
Department of Vocational Adult and Community Education
7510 Lisle Avenue
Falls Church, Virginia 22043
Contact: Judy Patton

LORD FAIRFAX COMMUNITY COLLEGE
P.O. Box 47
Middletown, Virginia 22645
Contact: Ronald Ludwick
PH: 703-869-1120

BUCOVA INSURANCE AGENCY, INC.
114 Walnut Street
Grundy, Virginia 24614-1023
Contact: Joe Honto
PH: 703-935-2144

HEALTH INSURANCE SCHOOLS FOR PROSPECTIVE VIRGINIA HEALTH AGENTS

FAIRFAX COUNTY PUBLIC SCHOOLS
7510 Lisle Avenue
Falls Church, Virginia
Contact: Judy Patton
PH: 703-893-1090

Before appearing to take any examination, an applicant must have submitted an Application for Examination to the Bureau of Insurance and received a Letter of Authorization in return. This letter and a valid drivers license (or other legal photo i.d.) must be presented at the examination site. Failure to provide the Letter of Authorization will result in the applicant not being allowed to sit for the examination.

You can take the examination at the following locations on the dates and times shown, except on legal holidays shown below or when closed due to emergency weather conditions at the testing site:

J. SARGEANT REYNOLDS COMMUNITY COLLEGE, Building B, Room 362, 1615 East Parham Road, Richmond, Virginia. The examination can be taken any weekday except those holidays listed below. Exam starts at 2:00 p.m. and ends at 4:00 p.m. The capacity at J. Sargeant Reynolds is 40 examinees.

VIRGINIA HIGHLANDS COMMUNITY COLLEGE, Abingdon, Virginia. First and third Thursday of each month. Exam starts at 11:30 a.m. and ends at 1:30 p.m. Report to the office of the Director of Continuing Education.

PATRICK HENRY COMMUNITY COLLEGE, Martinsville, Virginia. First and third Saturday of each month. Exam starts at 9:00 a.m. and ends at 11:00 a.m. The capacity at Patrick Henry Community College is 50 examinees. Report to Administration Building, Room 119.

VIRGINIA WESTERN COMMUNITY COLLEGE, 3095 Colonial Avenue, S.W., Roanoke, Virginia. Second and fourth Saturday of each month. Exam starts at 9:30 a.m. and ends at 11:30 a.m. The capacity at Virginia Western is 40 examinees. The exam will not be given on the Saturday after Thanksgiving or Christmas. Report to Craig Hall, Room 103, South Campus.

TIDEWATER COMMUNITY COLLEGE (Virginia Beach Campus only), 1700 College Crescent (off Princess Anne Road), Virginia Beach, Virginia. Second and fourth Thursday of each month. Exam starts at 2:00 p.m. and ends at 4:00 p.m. Report to Kempsville Building, Room 114. The capacity at Tidewater Community College is 30 examinees.

BLUE RIDGE COMMUNITY COLLEGE, Weyers Cave, Virginia. First and third Thursday of each month. Exam starts at 1:00 p.m. and ends at 3:00 p.m. Report to the office of the Director of Continuing Education.

PIEDMONT COMMUNITY COLLEGE, Charlottesville, Virginia. First and third Thursday of each month. Exam starts at 2:00 p.m. and ends at 4:00 p.m. Report to the office of Extended Learning Opportunities.

FAIRFAX COUNTY PUBLIC SCHOOLS, 7510 Lisle Avenue, Falls Church, Virginia (Pimmit Hills Center, Room 4).

APPENDIX B

EXAMINATION SITES AND SCHEDULES

Second and fourth Tuesdays of each month. Exam starts at 1:00 p.m. and ends at 3:00 p.m. Seating capacity is 30 examinees.

HOLIDAYS

May 25, 1987; July 4, 1987; September 7, 1987; October 12, 1987; November 3, 1987; November 11, 1987; November 26, 1987; December 24, 1987; December 25, 1987.

State Corporation Commission

STATE CORPORATION COMMISSION
 BUREAU OF INSURANCE
 P.O. BOX 1157
 RICHMOND, VIRGINIA 23209
 (804) 786-2631

PIN300A
 JULY, 1987

APPLICATION FOR LICENSE WHEN AN EXAMINATION IS REQUIRED - \$15.00

IF YOU ARE AN EMPLOYEE OF A BANK, LENDING INSTITUTION, BANK HOLDING COMPANY OR ANY SUBSIDIARY THEREOF, YOU MUST SUBMIT FORM PIN300C IN LIEU OF THIS FORM.

Social Security Number		License Type * (See Codes Below)	
Name (First, Middle, Last)		Home Address (Street)	
City		State	ZIP
Home Phone	Business Phone	Birthdate (Month, Day, Year)	
Business Address (Street)		City	
State ZIP		Tradename	
<input type="checkbox"/> CLU Exam for License type 01 will be waived if checked and required proof is attached		<input type="checkbox"/> CPCU Exam for License type 30 will be waived if checked and required proof is attached	

*LICENSE TYPES

01 LIFE AND HEALTH 30 PROPERTY AND CASUALTY 33 TITLE 40 HEALTH

PART 1 NOTARIAL ACKNOWLEDGEMENT REQUIRED OF ALL APPLICANTS

STATE OF _____

COUNTY OR CITY OF _____

_____ being duly sworn according to law, deposes and says that the answers to the questions and the declarations contained on both sides of this application are true and correct.

 Signature of Applicant

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____ 19____.

MY COMMISSION EXPIRES _____ DAY OF _____ 19____.

 Signature of Notary

THIS APPLICATION, ACCOMPANIED BY THE PRESCRIBED FEE OF \$15.00 MUST BE FILED WITH THE BUREAU OF INSURANCE OF THE STATE CORPORATION COMMISSION AND ACKNOWLEDGED BY THE BUREAU OF INSURANCE BEFORE THE APPLICANT MAY BE AUTHORIZED TO TAKE THE EXAMINATION. THE FEE IS NOT REFUNDABLE; AND IF THE APPLICANT FAILS TO APPEAR FOR THE EXAMINATION WITHIN SIX MONTHS FROM THE DATE THE APPLICATION IS RECEIVED BY THE BUREAU, THE APPLICATION WILL BE CONSIDERED VOID. THE LICENSE WILL ENTITLE THE APPLICANT TO SECURE AN APPOINTMENT UPON PROPER REQUEST BY A DULY LICENSED COMPANY, PROVIDED THE FIRST SUCH REQUEST IS MADE WITHIN SIX MONTHS AFTER ISSUANCE OF THE LICENSE. THE APPLICATION FEE OF \$15.00 MUST BE IN THE FORM OF A CERTIFIED CHECK, BANK OR TELLERS CHECK, OR MONEY ORDER, MADE PAYABLE TO THE STATE CORPORATION COMMISSION OF VIRGINIA. PERSONAL CHECKS AND CASH ARE NOT ACCEPTABLE.

State Corporation Commission

PART 2

1. Are you presently licensed or appointed in the Commonwealth of Virginia to transact the business of insurance? _____
2. Are you presently authorized in any other State or other Jurisdiction to transact the business of insurance? _____
3. Has any insurance company had your authority to transact the business of insurance cancelled for other than non-production? _____ If so, and you have not previously filed this information with this Bureau, attach a sheet and give full particulars.
4. Has this or any other insurance department ever refused to allow you the authority to transact the business of insurance or suspended or revoked such authority? _____ If so, and you have not previously filed this information with this Bureau, attach a sheet and give full particulars.
5. Have you ever been convicted of a violation of law, other than minor traffic violations? _____ If so, and you have not previously filed this information with this Bureau, attach a certified and authenticated copy of the court order regarding any convictions arising from the trial proceedings.
6. If you are a Virginia resident, do you understand that you must notify this Bureau and surrender all licenses and appointments for cancellation immediately upon moving your legal residence from Virginia? _____
7. If currently appointed as an insurance agent, are you indebted to any insurance company, agency, or other person for premiums collected, or is there any other dispute regarding your insurance account? _____ If so, and you have not previously filed this information with this Bureau, attach a sheet and give full particulars.
8. Do you understand that a licensed agent may solicit, negotiate, procure, or effect insurance on behalf of an insurer by which he is not appointed ONLY for a period of 45 days from the date of execution of the first application solicited on behalf of such insurer, and ONLY if a request for appointment is submitted to such insurer along with or prior to submission of such first application? _____

PART 3 - TO BE COMPLETED BY NON-RESIDENTS ONLY

1. Have you attached a current certification indicating that you are authorized to solicit the same kind of insurance in your Domiciliary state? _____
2. In accordance with Section 38.2-1836 of the Code of Virginia, do you hereby appoint the Clerk of the Commission the agent for the service of process in any action or proceeding arising in this Commonwealth out of or in connection with the exercise of this appointment? _____

IF YOU ARE A CFCU OR CLU, YOU MUST ATTACH EVIDENCE INDICATING THE SAME.

SECTION 38.2-1826 OF THE CODE OF VIRGINIA REQUIRES EACH AGENT TO REPORT TO THE COMMISSION AND TO EVERY INSURER THAT HE REPRESENTS ANY CHANGE IN HIS RESIDENCE ADDRESS OR NAME WITHIN THIRTY DAYS.

IF YOUR APPLICATION IS FOR ANY TYPE OTHER THAN TITLE INSURANCE, YOU MUST ATTACH A CERTIFICATE OF SATISFACTORY COMPLETION FROM THE SCHOOL YOU ATTENDED OR EVIDENCE OF EQUIVALENT KNOWLEDGE THROUGH EMPLOYMENT EXPERIENCE AS DEFINED IN CODE SECTION 38.2-1816.

State Corporation Commission

STATE CORPORATION COMMISSION
 BUREAU OF INSURANCE
 P.O. BOX 1157
 RICHMOND, VIRGINIA 23209
 (804) 786-2631

PIN405A
 JULY, 1987

APPLICATION FOR LICENSE WHEN NO EXAMINATION IS REQUIRED - \$15.00

IF YOU ARE AN EMPLOYEE OF A BANK, LENDING INSTITUTION, BANK HOLDING COMPANY OR ANY SUBSIDIARY THEREOF, YOU MUST SUBMIT FORM PIN405C IN LIEU OF THIS FORM.

Social Security Number		License Type * (See Codes Below)	
Name (First, Middle, Last)			
Home Address (Street)		City	
State	ZIP	Birthdate (Month, Day, Year)	
Home Phone		Tradename	
Business Address (Street)		City	
State	ZIP	Business Phone	

*LICENSE TYPES

- | | |
|--|--|
| 03 TEMPORARY LIFE AND HEALTH
(SALE OF AGENCY) | 31 TEMPORARY PROPERTY AND CASUALTY |
| 06 TEMPORARY LIFE AND HEALTH (DEBIT) | 34 OCEAN MARINE |
| 09 VARIABLE LIFE AND ANNUITY | 35 MUTUAL ASSESSMENT PROPERTY AND CASUALTY (LIMITED) |
| 10 BURIAL (\$5,000 OR LESS) | 36 TRAVEL BAGGAGE |
| 12 MUTUAL ASSESSMENT LIFE AND HEALTH (LIMITED) | 37 MORTGAGE GUARANTY |
| 14 TRAVEL ACCIDENT | 41 LEGAL SERVICES |
| 15 CREDIT LIFE AND HEALTH | 45 DENTAL SERVICES |
| | 46 OPTOMETRIC SERVICES |

PART I NOTARIAL ACKNOWLEDGEMENT REQUIRED OF ALL APPLICANTS

STATE OF _____

COUNTY OR CITY OF _____

_____ being duly sworn according to law, deposes and says that the answers to the questions and the declarations contained on both sides of this application are true and correct.

 Signature of Applicant

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____ 19____.

MY COMMISSION EXPIRES _____ DAY OF _____ 19____.

State Corporation Commission

PART 2

1. Are you presently licensed or appointed in the Commonwealth of Virginia to transact the business of insurance? _____
2. Are you presently authorized in any other state or other jurisdiction to transact the business of insurance? _____
3. Has any insurance company had your authority to transact the business of insurance cancelled other than for non-production? _____ If so, and you have not previously filed this information with this Bureau, attach a sheet and give full particulars.
4. Has this or any other insurance department ever refused to allow you the authority to transact the business of insurance or suspended or revoked your authority? _____ If so, and you have not previously filed this information with this Bureau, attach a sheet and give full particulars.
5. Have you ever been convicted of a violation of law, other than minor traffic violations? _____ If so, and you have not previously filed this information with this Bureau, attach a certified and authenticated copy of the court order regarding any convictions arising from the trial proceedings.
6. If you are a Virginia resident, do you understand that you must notify the Bureau and surrender all licenses and appointments for cancellation immediately upon moving your legal residence from Virginia? _____
7. If currently appointed as an insurance agent, are you indebted to any insurance company, agency, or other person for premiums collected, or is there any other dispute regarding your insurance account? _____ If so, and you have not previously filed this information with this Bureau, attach a sheet and give full particulars.
8. Do you understand that a licensed agent may solicit, negotiate, procure, or effect insurance on behalf of an insurer by which he is not appointed ONLY for a period of 45 days from the date of execution of the first application solicited on behalf of such insurer, and ONLY if a request for appointment is submitted to such insurer along with or prior to submission of such first application? _____

PART 3 - TO BE COMPLETED BY NON-RESIDENTS ONLY

1. Have you attached a current certification indicating that you are authorized to solicit the same kind of insurance in your Domiciliary state? _____
2. In accordance with Section 38.2-1836 of the Code of Virginia, do you hereby appoint the Clerk of the Commission the agent for the service of process in any action or proceeding arising in this Commonwealth out of or in connection with the exercise of this appointment? _____

THE LICENSE FEE OF \$15.00 MUST BE IN THE FORM OF A CERTIFIED CHECK, BANK OR TELLERS CHECK, OR MONEY ORDER, MADE PAYABLE TO THE STATE CORPORATION COMMISSION OF VIRGINIA. PERSONAL CHECKS AND CASH ARE NOT ACCEPTABLE. THE LICENSE WILL ENTITLE THE APPLICANT TO SECURE AN APPOINTMENT UPON PROPER REQUEST BY A DULY LICENSED COMPANY; PROVIDED THE FIRST SUCH REQUEST IS MADE WITHIN SIX MONTHS AFTER ISSUANCE OF THE LICENSE.

SECTION 38.2-1826 OF THE CODE OF VIRGINIA REQUIRES EACH AGENT TO REPORT TO THE COMMISSION AND TO EVERY INSURER THAT HE REPRESENTS ANY CHANGE IN HIS RESIDENCE ADDRESS OR NAME WITHIN THIRTY DAYS.

State Corporation Commission

STATE CORPORATION COMMISSION
 BUREAU OF INSURANCE
 P.O. BOX 1157
 RICHMOND, VIRGINIA 23209
 (804) 786-2631

PIN300C
 JULY, 1987

APPLICATION FOR LICENSE WHEN AN EXAMINATION IS REQUIRED AND YOU ARE AN EMPLOYEE OF A BANK, LENDING INSTITUTION, BANK HOLDING COMPANY OR A SUBSIDIARY THEREOF - \$15.00

Social Security Number		License Type * (See Codes Below)
Name (First, Middle, Last)		Home Address (Street)
City		State ZIP
Home Phone	Business Phone	Birthdate (Month, Day, Year)
Business Address (Street)		City
State ZIP		Tradename
<input type="checkbox"/> CLU Exam for Lic. Type 17 will be waived if checked and required proof is attached		<input type="checkbox"/> CPCU Exam for Lic. Type 22 will be waived if checked and required proof is attached

*LICENSE TYPES

17 LENDING INSTITUTION LIFE AND HEALTH
 19 LENDING INSTITUTION TITLE

22 LENDING INSTITUTION SINGLE INTEREST

PART 1 NOTARIAL ACKNOWLEDGEMENT REQUIRED OF ALL APPLICANTS

STATE OF _____

COUNTY OR CITY OF _____

_____ being duly sworn according to law, deposes and says that the answers to the questions and the declarations contained on both sides of this application are true and correct.

 Signature of Applicant

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____ 19____.

MY COMMISSION EXPIRES _____ DAY OF _____ 19____.

 Signature of Notary

THIS APPLICATION, ACCOMPANIED BY THE PRESCRIBED FEE OF \$15.00 MUST BE FILED WITH THE BUREAU OF INSURANCE OF THE STATE CORPORATION COMMISSION AND ACKNOWLEDGED BY THE BUREAU OF INSURANCE BEFORE THE APPLICANT MAY BE AUTHORIZED TO TAKE THE EXAMINATION. THE FEE IS NOT REFUNDABLE; AND IF THE APPLICANT FAILS TO APPEAR FOR THE EXAMINATION WITHIN SIX MONTHS FROM THE DATE THE APPLICATION IS RECEIVED BY THE BUREAU, THE APPLICATION WILL BE CONSIDERED VOID. THE LICENSE WILL ENTITLE THE APPLICANT TO SECURE AN APPOINTMENT UPON PROPER REQUEST BY A DULY LICENSED COMPANY, PROVIDED THE FIRST SUCH REQUEST IS MADE WITHIN SIX MONTHS AFTER ISSUANCE OF THE LICENSE. THE APPLICATION FEE OF \$15.00 MUST BE IN THE FORM OF A CERTIFIED CHECK, BANK OR TELLERS CHECK, OR MONEY ORDER, MADE PAYABLE TO THE STATE CORPORATION COMMISSION OF VIRGINIA. PERSONAL CHECKS AND CASH ARE NOT ACCEPTABLE.

State Corporation Commission

PART 2

1. Are you presently licensed or appointed in the Commonwealth of Virginia to transact the business of insurance? _____
2. Are you presently authorized in any other state or other jurisdiction to transact the business of insurance? _____
3. Has any insurance company had your authority to transact the business of insurance cancelled other than for non-production? _____ If so, and you have not previously filed this information with this Bureau, attach a sheet and give full particulars.
4. Has this or any other insurance department ever refused to allow you the authority to transact the business of insurance or suspended or revoked such authority? _____ If so, and you have not previously filed this information with this Bureau, attach a sheet and give full particulars.
5. Have you ever been convicted of a violation of law, other than minor traffic violations? _____ If so, and you have not previously filed this information with this Bureau, attach a certified and authenticated copy of the court order regarding any convictions arising from the trial proceedings.
6. If you are a Virginia resident, do you understand that you must notify this Bureau and surrender all licenses and appointments for cancellation immediately upon moving your legal residence from Virginia? _____
7. If currently appointed as an insurance agent, are you indebted to any insurance company, agency, or other person for premiums collected, or is there any other dispute regarding your insurance account? _____ If so, and you have not previously filed this information with this Bureau, attach a sheet and give full particulars.
8. Do you understand that a licensed agent may solicit, negotiate, procure, or effect insurance on behalf of an insurer by which he is not appointed ONLY for a period of 45 days from the date of execution of the first application solicited on behalf of such insurer, and ONLY if a request for appointment is submitted to such insurer along with or prior to submission of such first application? _____

PART 3 - TO BE COMPLETED BY NON-RESIDENTS ONLY

1. Have you attached a current certification indicating that you are authorized to solicit the same kind of insurance in your Domiciliary state? _____
2. In accordance with Section 38.2-1836 of the Code of Virginia, do you hereby appoint the Clerk of the Commission the agent for the service of process in any action or proceeding arising in this Commonwealth out of or in connection with the exercise of this appointment? _____

IF YOU ARE A CPCU OR CLU, YOU MUST ATTACH EVIDENCE INDICATING THE SAME.

SECTION 38.2-1826 OF THE CODE OF VIRGINIA REQUIRES EACH AGENT TO REPORT TO THE COMMISSION AND TO EVERY INSURER THAT HE REPRESENTS ANY CHANGE IN HIS RESIDENCE ADDRESS OR NAME WITHIN THIRTY DAYS.

IF YOUR APPLICATION IS FOR ANY TYPE OTHER THAN TITLE INSURANCE, YOU MUST ATTACH A CERTIFICATE OF SATISFACTORY COMPLETION FROM THE SCHOOL YOU ATTENDED OR EVIDENCE OF EQUIVALENT KNOWLEDGE THROUGH EMPLOYMENT EXPERIENCE AS DEFINED IN CODE SECTION 38.2-1816.

State Corporation Commission

STATE CORPORATION COMMISSION
 BUREAU OF INSURANCE
 P.O. BOX 1157
 RICHMOND, VIRGINIA 23209
 (804) 786-2631

PIN405C
 JULY, 1987

APPLICATION FOR LICENSE WHEN NO EXAMINATION IS REQUIRED AND YOU ARE AN EMPLOYEE OF A BANK, LENDING INSTITUTION, BANK HOLDING COMPANY OR A SUBSIDIARY THEREOF - \$15.00

Social Security Number	License Type * (See Codes Below)
Name (First, Middle, Last)	
Home Address (Street)	City
State ZIP	Birthdate (Month, Day, Year)
Home Phone	Tradename
Business Address (Street)	City
State ZIP	Business Phone

*LICENSE TYPES

21 LENDING INSTITUTION MORTGAGE REDEMPTION

23 LENDING INSTITUTION CREDIT LIFE AND HEALTH

PART 1 NOTARIAL ACKNOWLEDGEMENT REQUIRED OF ALL APPLICANTS

STATE OF _____

COUNTY OR CITY OF _____

_____ being duly sworn according to law, deposes and says that the answers to the questions and the declarations contained on both sides of this application are true and correct.

 Signature of Applicant

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____ 19____.

MY COMMISSION EXPIRES _____ DAY OF _____ 19____.

 Signature of Notary

State Corporation Commission

PART 2

1. Are you presently licensed or appointed in the Commonwealth of Virginia to transact the business of insurance? _____
2. Are you presently authorized in any other State or other Jurisdiction to transact the business of insurance? _____
3. Has any insurance company had your authority to transact the business of insurance cancelled for other than non-production? _____ If so, and you have not previously filed this information with this Bureau, attach a sheet and give full particulars.
4. Has this or any other insurance department ever refused to allow you the authority to transact the business of insurance or suspended or revoked your authority? _____ If so, and you have not previously filed this information with this Bureau, attach a sheet and give full particulars.
5. Have you ever been convicted of a violation of law, other than minor traffic violations? _____ If so, and you have not previously filed this information with this Bureau, attach a certified and authenticated copy of the court order regarding any convictions arising from the trial proceedings.
6. If you are a Virginia resident, do you understand that you must notify the Bureau and surrender all licenses and appointments for cancellation immediately upon moving your legal residence from Virginia? _____
7. If currently appointed as an insurance agent, are you indebted to any insurance company, agency, or other person for premiums collected, or is there any other dispute regarding your insurance account? _____ If so, and you have not previously filed this information with this Bureau, attach a sheet and give full particulars.
8. Do you understand that a licensed agent may solicit, negotiate, procure, or effect insurance on behalf of an insurer by which he is not appointed ONLY for a period of 45 days from the date of execution of the first application solicited on behalf of such insurer, and ONLY if a request for appointment is submitted to such insurer along with or prior to submission of such first application? _____

PART 3 - TO BE COMPLETED BY NON-RESIDENTS ONLY

1. Have you attached a current certification indicating that you are authorized to solicit the same kind of insurance in your Domiciliary state? _____
2. In accordance with Section 38.2-1836 of the Code of Virginia, do you hereby appoint the Clerk of the Commission the agent for the service of process in any action or proceeding arising in this Commonwealth out of or in connection with the exercise of this appointment? _____

THE LICENSE FEE OF \$15.00 MUST BE IN THE FORM OF A CERTIFIED CHECK, BANK OR TELLERS CHECK, OR MONEY ORDER, MADE PAYABLE TO THE STATE CORPORATION COMMISSION OF VIRGINIA. PERSONAL CHECKS AND CASH ARE NOT ACCEPTABLE. THE LICENSE WILL ENTITLE THE APPLICANT TO SECURE AN APPOINTMENT UPON PROPER REQUEST BY A DULY LICENSED COMPANY; PROVIDED SUCH REQUEST IS MADE WITHIN SIX MONTHS AFTER ISSUANCE OF THE LICENSE.

SECTION 38.2-1826 OF THE CODE OF VIRGINIA REQUIRES EACH AGENT TO REPORT TO THE COMMISSION AND TO EVERY INSURER THAT HE REPRESENTS ANY CHANGE IN HIS RESIDENCE ADDRESS OR NAME WITHIN THIRTY DAYS.

State Corporation Commission

STATE CORPORATION COMMISSION
 BUREAU OF INSURANCE
 P.O. BOX 1157
 RICHMOND, VIRGINIA 23209
 (804) 786-2631

PIN415A
 JULY, 1987

INDIVIDUAL APPOINTMENT FORM

Social Security Number	Type * (See Codes Below)	NAIC Number
Name (First, Middle, Last)		
Home Address (Street)		City
State	ZIP	Birthdate (Month, Day, Year)
Agency name		Tradename
Company Name		
Address (Street)		City
State	ZIP	

Additional NAIC Numbers

*APPOINTMENT TYPES

- | | |
|---|---|
| 01 LIFE AND HEALTH | 22 LENDING INSTITUTION SINGLE INTEREST |
| 02 MUTUAL ASSESSMENT LIFE AND HEALTH
(REQUIRES EXAM) | 23 LENDING INSTITUTION CREDIT LIFE AND HEALTH |
| 03 TEMPORARY LIFE AND HEALTH
(SALE OF AGENCY) | 30 PROPERTY AND CASUALTY |
| 06 TEMPORARY LIFE AND HEALTH (DEBIT) | 31 TEMPORARY PROPERTY AND CASUALTY |
| 09 VARIABLE LIFE AND ANNUITY | 32 MUTUAL ASSESSMENT PROPERTY AND CASUALTY
(REQUIRES EXAM) |
| 10 BURIAL (\$5,000 OR LESS) | 33 TITLE |
| 11 BURIAL (REQUIRES EXAM) | 34 OCEAN MARINE |
| 12 MUTUAL ASSESSMENT LIFE AND HEALTH (LIMITED) | 35 MUTUAL ASSESSMENT PROPERTY AND CASUALTY (LIMITED) |
| 13 COOPERATIVE NONPROFIT LIFE BENEFIT | 36 TRAVEL BAGGAGE |
| 14 TRAVEL ACCIDENT | 37 MORTGAGE GUARANTY |
| 15 CREDIT LIFE AND HEALTH | 38 MORTGAGE ACCIDENT AND SICKNESS |
| 17 LENDING INSTITUTION LIFE AND HEALTH | 40 HEALTH |
| 19 LENDING INSTITUTION TITLE | 41 LEGAL SERVICES |
| 21 LENDING INSTITUTION MORTGAGE REDEMPTION | 45 DENTAL SERVICES |
| | 46 OPTOMETRIC SERVICES |

SECTION 38.2-1026 OF THE CODE OF VIRGINIA REQUIRES EACH AGENT TO REPORT TO THE COMMISSION AND TO EVERY INSURER THAT HE REPRESENTS ANY CHANGE IN HIS RESIDENCE ADDRESS OR NAME WITHIN THIRTY DAYS.

State Corporation Commission

PART I

TO BE COMPLETED BY AN INDIVIDUAL AUTHORIZED TO APPOINT AGENTS ON BEHALF OF THE COMPANY

The Company hereby appoints the individual named on the reverse hereof as its agent to transact its authorized business in the Commonwealth of Virginia. The Company certifies that it has investigated the character and record of the individual and that said investigation report is currently on file with the Company. The Company further certifies that, to the best of its knowledge, the answers to the following questions are complete and true.

1. Has any insurance company had this agent's authority to transact the business of insurance cancelled other than for non-production? _____ If so, and this information has not previously been filed with this Bureau, attach a sheet and give full particulars.
2. Has this or any other insurance department ever refused to allow this agent the authority to transact the business of insurance or suspended or revoked such authority? _____ If so, and this information has not previously been filed with this Bureau, attach a sheet and give full particulars.
3. Has this agent ever been convicted of a violation of law, other than minor traffic violations? _____ If so, and this information has not previously been filed with this Bureau, attach a certified and authenticated copy of of the court order regarding any convictions arising from the trial proceedings.
4. Is this agent indebted to any insurance company, agency, or other person for premiums collected, or is there any other dispute regarding this agent's insurance account? _____ If so, and this information has not previously been filed with this Bureau, attach a sheet and give full particulars.
5. If this agent is an officer or employee of any bank, lending institution, bank holding company, or any subsidiary thereof, do you understand that only "lending institution" appointments will be accepted, and that the appointment may only pertain to those limited lines specified in Section 38.2-1811 of the Code of Virginia, subject to the limitations of this agent's license? _____
6. The date of execution of the first application for insurance submitted by this agent is: _____. Do you understand that this appointment must be received by the Commission within 30 days of said date? _____

Signature of Authorized Individual

Name (Typed)

Date

Title

State Corporation Commission

STATE CORPORATION COMMISSION
BUREAU OF INSURANCE
P.O. BOX 1157
RICHMOND, VIRGINIA 23209
(804) 786-2631

PIN4056
JULY, 1987

AGENCY APPLICATION FOR LICENSE - \$15.00

THIS FORM IS TO BE COMPLETED BY PARTNERSHIPS (DULY RECORDED IN LOCAL COURTS) OR CORPORATIONS (DULY CHARTERED IN STATE OF DOMICILE). SOLE PROPRIETORSHIPS ARE NOT REQUIRED TO BE LICENSED AS AN AGENCY.

IF THIS AGENCY IS A BANK, LENDING INSTITUTION, BANK HOLDING COMPANY OR ANY SUBSIDIARY THEREOF, YOU MUST SUBMIT FORM PIN415C IN LIEU OF THIS FORM.

IRS Identification Number	Type * (See Codes Below)	
Agency Name		
Agency Address (Street)		
City	State	ZIP
State of Incorporation	Incorporation Date (Month, Day, Year)	
State Where Partnership Formed	Recordation Date (Month, Day, Year)	
Agency Tradename		

*LICENSE TYPES

- | | |
|--|--|
| 01 LIFE AND HEALTH | 33 TITLE |
| 02 MUTUAL ASSESSMENT LIFE AND HEALTH | 34 OCEAN MARINE |
| 09 VARIABLE LIFE AND ANNUITY | 35 MUTUAL ASSESSMENT PROPERTY AND CASUALTY (LIMITED) |
| 10 BURIAL (\$5,000 OR LESS) | 36 TRAVEL BAGGAGE |
| 11 BURIAL | 37 MORTGAGE GUARANTY |
| 12 MUTUAL ASSESSMENT LIFE AND HEALTH (LIMITED) | 38 MORTGAGE ACCIDENT AND SICKNESS |
| 13 COOPERATIVE NONPROFIT LIFE BENEFIT | 40 HEALTH |
| 14 TRAVEL ACCIDENT | 41 LEGAL SERVICES |
| 15 CREDIT LIFE AND HEALTH | 45 DENTAL SERVICES |
| 30 PROPERTY AND CASUALTY | 46 OPTOMETRIC SERVICES |
| 32 MUTUAL ASSESSMENT PROPERTY AND CASUALTY | |

State Corporation Commission

PART 1

1. Is this agency currently licensed in Virginia for any other line of insurance? _____
2. Do you understand that you must report to the Bureau of Insurance any change in Agency Name, Address, IRS identification Number or any change affecting the status of this Agency? _____
3. Do you understand that if the agency is a partnership, each active partner and each employee who will solicit, negotiate, procure, or effect insurance in the name of the firm, must obtain and hold a license of the same type or if the agency is a corporation, each officer, director and employee who will solicit, negotiate, procure, or effect insurance in the name of the corporation must obtain and hold a license of the same type? _____

PART 2 - NON-RESIDENTS ONLY

1. Pursuant to Section 38.2-1836 of the Code of Virginia, attach a certification from your home state that sets forth the following:
 - (a) that the applicant is licensed or otherwise authorized in that state or province to solicit, negotiate, procure or effect the classes of insurance for which the license is being sought in this Commonwealth or, if applicable that the state or province does not license corporations or partnerships;
 - (b) that the applicant is conducting the business of insurance in that state or province in a satisfactory manner;
 - (c) if the applicant is a corporation, that it is authorized in its charter or other papers of incorporation to act as an insurance agent
 - (d) if the applicant is a partnership, that its existence is properly recorded pursuant to the laws of the state or province of domicile.
2. In accordance with Section 38.2-1836 of the Code of Virginia, do you hereby appoint the CLERK OF THE COMMISSION and his successors in office the agent for the service of process in any action or proceeding arising in this Commonwealth out of or in connection with the exercise of the license? _____

PART 3 - CERTIFICATION

The undersigned, on behalf of the applicant, hereby certifies that the information provided on both sides of this application is true and correct.

Signature _____

Name _____
(Please Print)

Title _____

Date _____

State Corporation Commission

STATE CORPORATION COMMISSION
BUREAU OF INSURANCE
P.O. BOX 1157
RICHMOND, VIRGINIA 23209
(804) 786-2631

PIN415C
JULY, 1987

AGENCY APPLICATION FOR LICENSE WHEN THE AGENCY IS A BANK, LENDING INSTITUTION, BANK HOLDING COMPANY OR A SUBSIDIARY THEREOF
\$15.00

THIS FORM IS TO BE COMPLETED BY PARTNERSHIPS (DULY RECORDED IN LOCAL COURTS) OR CORPORATIONS (DULY CHARTERED IN STATE OF DOMICILE). SOLE PROPRIETORSHIPS ARE NOT REQUIRED TO BE LICENSED AS AN AGENCY.

IRS Identification Number	Type * (See Codes Below)	
Agency Name		
Agency Address (Street)		
City	State	ZIP
State of Incorporation	Incorporation Date (Month, Day, Year)	
State Where Partnership Formed	Recordation Date (Month, Day, Year)	
Agency Tradename		

*LICENSE TYPES

- 17 LENDING INSTITUTION LIFE AND HEALTH
- 19 LENDING INSTITUTION TITLE
- 21 LENDING INSTITUTION MORTGAGE REDEMPTION
- 22 LENDING INSTITUTION SINGLE INTEREST
- 23 LENDING INSTITUTION CREDIT LIFE AND HEALTH

State Corporation Commission

PART 1

1. Is this agency currently licensed in Virginia for any other line of insurance? _____
2. Do you understand that you must report to the Bureau of Insurance any change in Agency Name, Address, IRS identification Number or any change affecting the status of this Agency? _____
3. Do you understand that if the agency is a partnership, each active partner and each employee who will solicit, negotiate, procure, or effect insurance in the name of the firm, must obtain and hold a license of the same type or if the agency is a corporation, each officer, director and employee who will solicit, negotiate, procure, or effect insurance in the name of the corporation must obtain and hold a license of the same type? _____

PART 2 - NON-RESIDENTS ONLY

1. Pursuant to Section 38.2-1836 of the Code of Virginia, attach a certification from your home state that sets forth the following:
 - (a) that the applicant is licensed or otherwise authorized in that state or province to solicit, negotiate, procure or effect the classes of insurance for which the license is being sought in this Commonwealth or, if applicable that the state or province does not license corporations or partnerships;
 - (b) that the applicant is conducting the business of insurance in that state or province in a satisfactory manner;
 - (c) if the applicant is a corporation, that it is authorized in its charter or other papers of incorporation to act as an insurance agent;
 - (d) if the applicant is a partnership, that its existence is properly recorded pursuant to the laws of the state or province of domicile.
2. In accordance with Section 38.2-1836 of the Code of Virginia, do you hereby appoint the CLERK OF THE COMMISSION and his successors in office the agent for the service of process in any action or proceeding arising in this Commonwealth out of or in connection with the exercise of the license? _____

PART 3 - CERTIFICATION

The undersigned, on behalf of the applicant, hereby certifies that the information provided on both sides of this application is true and correct.

Signature _____

Name _____
(Please Print)

Title _____

Date _____

State Corporation Commission

STATE CORPORATION COMMISSION
 BUREAU OF INSURANCE
 P.O. BOX 1157
 RICHMOND, VIRGINIA 23209
 (804) 786-2631

PIN415B
 JULY, 1987

AGENCY APPOINTMENT FORM

THIS FORM IS TO BE COMPLETED FOR THE APPOINTMENT OF PARTNERSHIPS (DULY RECORDED IN LOCAL COURTS) OR CORPORATIONS (DULY CHARTERED IN STATE OF DOMICILE). A SOLE PROPRIETORSHIP IS NOT REQUIRED TO BE APPOINTED AS AN AGENCY.

IRS Identification Number	Type * (See Codes Below)	NAIC Number
Agency Name	Tradename	
Agency Address (Street)		
City	State	ZIP
Company Name		
Street Address		
City	State	ZIP

ADDITIONAL NAIC NUMBERS

--	--	--	--	--	--

*APPOINTMENT TYPES

- | | |
|--|--|
| 01 LIFE AND HEALTH | 23 LENDING INSTITUTION CREDIT LIFE AND HEALTH |
| 02 MUTUAL ASSESSMENT LIFE AND HEALTH | 30 PROPERTY AND CASUALTY |
| 09 VARIABLE LIFE AND ANNUITY | 32 MUTUAL ASSESSMENT PROPERTY AND CASUALTY |
| 10 BURIAL (\$5,000 OR LESS) | 33 TITLE |
| 11 BURIAL | 34 OCEAN MARINE |
| 12 MUTUAL ASSESSMENT LIFE AND HEALTH (LIMITED) | 35 MUTUAL ASSESSMENT PROPERTY AND CASUALTY (LIMITED) |
| 13 COOPERATIVE NONPROFIT LIFE BENEFIT | 36 TRAVEL BAGGAGE |
| 14 TRAVEL ACCIDENT | 37 MORTGAGE GUARANTY |
| 15 CREDIT LIFE AND HEALTH | 38 MORTGAGE ACCIDENT AND SICKNESS |
| 17 LENDING INSTITUTION LIFE AND HEALTH | 40 HEALTH |
| 19 LENDING INSTITUTION TITLE | 41 LEGAL SERVICES |
| 21 LENDING INSTITUTION MORTGAGE REDEMPTION | 45 DENTAL SERVICES |
| 22 LENDING INSTITUTION SINGLE INTEREST | 46 OPTOMETRIC SERVICES |

PART 2

TO BE COMPLETED BY AN INDIVIDUAL AUTHORIZED TO APPOINT AGENTS

THE COMPANY HEREBY APPOINTS THE AGENCY NAMED ON THE REVERSE SIDE HEREOF AS ITS AGENT TO TRANSACT ITS AUTHORIZED BUSINESS IN THE COMMONWEALTH OF VIRGINIA.

Signature of Authorized Individual

Name (Typed)

Date

Title

SECTION 38.2-1826 OF THE CODE OF VIRGINIA REQUIRES EACH AGENT TO REPORT TO THE COMMISSION AND TO EVERY INSURER THAT IT REPRESENTS ANY CHANGE IN ITS ADDRESS OR NAME WITH THIRTY DAYS.

State Corporation Commission

STATE CORPORATION COMMISSION
 BUREAU OF INSURANCE
 P.O. BOX 1157
 RICHMOND, VIRGINIA 23209

PIN492A
 JULY, 1987

APPOINTMENT CANCELLATION INSTRUCTIONS

This form may be used to cancel either an individual or agency appointment but not both on the same form. Please use a separate form for each cancellation. This form must be completed by an Executive Officer, or an individual authorized by an Executive Officer to appoint and terminate agents.

If cancellation is due to reasons which are required by law to be reported to the Commission or which the Company believes should be brought to the attention of the Commission, please check here _____, and complete the reverse side of this form.

If the agent is deceased, please check here _____.

NOTICE OF CANCELLATION

The undersigned hereby requests that the State Corporation Commission, Bureau of Insurance cancel the appointment(s) of the individual or agency designated below to represent this (these) Company(ies) in the Commonwealth of Virginia.

INDIVIDUAL

SOCIAL SECURITY #		NAIC NUMBER	APPOINTMENT TYPE
NAME (FIRST)	(MIDDLE)	(LAST)	
HOME ADDRESS (STREET)			
CITY		STATE	ZIP

AGENCY

IRS NUMBER	NAIC NUMBER	APPOINTMENT TYPE
AGENCY NAME		
AGENCY ADDRESS		
CITY	STATE	ZIP

ADDITIONAL NAIC NUMBERS

I certify that the agent has been notified of this cancellation.

 Company Name

 Signature of Authorized Person

 Company Address

 Name and Title (Typed)

 Date of Cancellation

State Corporation Commission

CANCELLATION SUPPLEMENT

Please answer the following questions:

1. To the best of your knowledge, did the agent fully comply with the Commonwealth's laws and regulations? Yes _____ No _____
If the answer is no, please state which laws were not complied with and give *explanation and details.
2. Has the agent fully accounted and settled for premiums collected?
Yes _____ No _____
If the answer is no and such acts are deemed to be larceny according to Code Section 18.2-111, please give complete *explanation and forward supportive documentation in accordance with Code Section 38.2-1810.

*Use space provided here or attach a letter statement

If the cancellation is due to account discrepancies, or if account discrepancies are being reported pursuant to Section 38.2-1810 of the Code of Virginia, please note that the following are not considered reportable offenses:

1. Debts owed to the company because of commission advances;
2. Debts owed to the company due to excess premiums caused by the agent's failure to lapse business in accordance with company procedures;
3. Debts owed to the company that are created by the agent's unintentional accounting errors and;
4. Debts owed to the company for premiums which have not been collected by the agent.

Section 18.2-111. Embezzlement deemed larceny; indictment; statement from attorney for the Commonwealth. - If any person wrongfully and fraudulently use, dispose of, conceal or embezzle any money, bill, note, check, order, draft, bond, receipt, bill of lading or any other personal property, tangible or intangible, which he shall have received for another or for his employer, principal or bailor, or by virtue of his office, trust, or employment, or which shall have been entrusted or delivered to him by another or by any court, corporation or company, he shall be deemed guilty of larceny thereof, may be indicted as for larceny, and proof of embezzlement under this section shall be sufficient to sustain the charge. On the trial of every indictment for larceny, however, the defendant, if he demands it, shall be entitled to a statement in writing from the attorney for the Commonwealth designating the statute he intends to rely upon to ask for conviction. Such statement shall be furnished to the defendant, or his attorney, no later than five days prior to the date fixed for trial on the indictment provided the demand is made more than five days prior to such date. (Code 1950, Section 18.1-109; 1960, c. 358; 1975, cc. 14, 15; 1979, c.349.)

Section 38.2-1810. Report of acts deemed larceny under Section 18.2-111; privileged communications; Commonwealth's attorney to be informed. -A. Whenever any insurer licensed to transact the business of insurance in this Commonwealth knows or has reasonable cause to believe that any insurance agent or surplus lines broker has committed any act of larceny as prescribed in Section 18.2-111 with respect to any money, bill, note, check, order, draft or other property either belonging to the insurer or received by the agent or surplus lines broker on behalf of the insurer, it shall be the duty of the insurer within sixty days after acquiring the knowledge to file with the Commission a complete statement of the relevant facts and circumstances. Each statement shall be a privileged communication, and when made and filed shall not subject the insurer, or any individual representative of it that is making or filing the statement, to any liability whatsoever. B. The Commission shall inform the Commonwealth's attorney of the appropriate county or city of each statement filed pursuant to subsection A of this section.

State Corporation Commission

STATE CORPORATION COMMISSION
BUREAU OF INSURANCE
P.O. BOX 1157
RICHMOND, VIRGINIA 23209
(804) 786-2631

PIN370A
JULY, 1987

APPLICATION FOR CONSULTANTS LICENSE-\$50.00

Social Security Number or IRS Number		Home Phone Number: ()	
		Business Phone Number: ()	
Name (First)	(Middle)	(Last)	
Trade Name		Birthdate (Month, Day, Year)	
Home Address (Street)			
City		State	ZIP

Check one only per application:

Life and Health

OR

Property and Casualty

NOTE: NON RESIDENTS COMPLETE SECTION 2 ONLY ON REVERSE SIDE OF FORM.

SECTION 1

I hereby make application for an Insurance Consultant's License of the type specified above.

I certify that:

1. A. I have a current Resident Insurance Agent's License of the type specified above which was issued on _____
Date
OR
- B. I have successfully completed the required 45 hour study course and successfully passed the required examination for the license type specified above.
2. I have read and understood the disclosure requirements set forth in Section 38.2-1839 of the Code of Virginia.
3. I understand that, pursuant to Section 38.2-1842 of the Code of Virginia, any change in my residence address or name must be reported to the Commission within 30 days.

Signature

Date

The license fee of \$50.00 must be in the form of a certified check, bank, or teller's check, or money order, made payable to the State Corporation Commission of Virginia. Personal checks and cash are not acceptable.

State Corporation Commission

SECTION 2

1. Pursuant to Section 38.2-1845 of the Code of Virginia, attach a certification from your home state that sets forth the following:
 - (a) that the applicant is licensed in that state or province as an insurance consultant;
 - (b) that the applicant is conducting the business of consulting in such state or province in a satisfactory manner;
 - (c) If the applicant is a corporation, that it is authorized in its charter or other papers of incorporation to act as an insurance consultant.
2. In accordance with Section 38.2-1836 of the Code of Virginia, do you hereby appoint the CLERK OF THE COMMISSION and his successors in office the agent for the service of process in any action or proceeding arising in this Commonwealth out of or in connection with the exercise of the license? _____
3. I understand that, pursuant to Section 38.2-1842 of the Code of Virginia any change in my residence address or name must be reported to Commission within 30 days.

Signature

Date

The license fee of \$50.00 must be in the form of a certified check, bank, or teller's check, or money order, made payable to the State Corporation Commission of Virginia. Personal checks and cash are not acceptable.

State Corporation Commission

STATE CORPORATION COMMISSION
 BUREAU OF INSURANCE
 P.O. BOX 1157
 RICHMOND, VIRGINIA 23209
 (804) 786-2631

PIN320A
 JULY, 1987

MOTOR CLUB LICENSE AND APPOINTMENT FORM

Social Security Number	Type of License 70	NAIC Number MCO
Name (First, Middle, Last)		
Home Address (Street)		City
State	ZIP	Birthdate (Month, Day, Year)
Agent's Business Address		
City	State	ZIP

TO BE COMPLETED BY AN INDIVIDUAL AUTHORIZED TO APPOINT AGENTS ON BEHALF OF THE COMPANY

The company hereby appoints the agent to transact its authorized business in the Commonwealth of Virginia. The company certifies that it has investigated the character and record of the individual and that said investigation report is currently on file with this company. The company further certifies that, to the best of its knowledge, the answers to the following questions are complete and true.

1. Has any insurance company had this agent's authority to transact the business of insurance cancelled for other than non-production? _____ If so, and this information has not previously been filed with this Bureau, attach a sheet and give full particulars.
2. Has this or any other insurance department ever refused to allow this agent the authority to transact the business of insurance or suspended or revoked such authority? _____ If so, and this information has not previously been filed with this Bureau, attach a sheet and give full particulars.
3. Has this agent ever been convicted of a violation of law, other than minor traffic violations? _____ If so, and this information has not previously been filed with this Bureau, attach a certified and authenticated copy of of the court order regarding any convictions arising from the trial proceedings.
4. Is this agent indebted to any insurance company, agency, or other person for premiums collected, or is there any other dispute regarding this agent's insurance account? _____ If so, and this information has not previously been filed with this Bureau, attach a sheet and give full particulars.

 Signature of Authorized Individual

 Name (Typed)

 Date

 Title

GOVERNOR

EXECUTIVE ORDER NUMBER TWENTY-EIGHT (86)

FEDERAL LIMIT ON PRIVATE ACTIVITY BONDS

By virtue of the authority vested in me as Governor by the Code of Virginia and the Internal Revenue Code of 1986, and subject always to my continuing and ultimate responsibility and authority to act in such matters and to reserve powers, I hereby proclaim the following formula for the allocation of the 1986 and 1987 State Ceiling on Private Activity Bonds in accordance with the Tax Reform Act of 1986.

A. Background

The Tax Reform Act of 1986 (the "Act"), which was adopted by the Congress of the United States and signed by the President, imposed restrictions on the issuance of industrial development bonds, housing bonds, certain exempt facility bonds and student loan bonds. Among the restrictions on these bonds, which the Act designates as "private activity bonds," are limitations on the aggregate amount (termed therein as state ceiling) of "private activity bonds" issued in each state in any calendar year, commencing August 15, 1986, that may be regarded as exempt from federal income taxation. These limitations are set forth in Title 13 of the Act and are contained in the Internal Revenue Code of 1986 (the "Code").

The Act provides for an allocation of the state ceiling in each state among the issuers of such bonds within the state but with provision that a state legislature may, by law enacted after the enactment of the Act, provide a different formula for allocating the state ceiling. In the interim prior to any such action by a state legislature, the governor of a state may proclaim a different formula for allocating the state ceiling.

Virginia's State Ceiling for these bonds issued after August 15, 1986 during the remainder of calendar year 1986 is \$75 multiplied by the most recent estimated resident population of the state last published by the Bureau of Census prior to the commencement of the calendar year. The estimated population according to the United States Bureau of the Census, United States Department of Commerce News NO. CB 85-229, issued December 27, 1985, was 5,706,000 producing an estimated 1986 State Ceiling for all bonds issued after August 15 of \$427,950,000. The 1987 State Ceiling would be calculated using the same formula as described for 1986.

The use of tax exempt industrial development bonds also becomes more restrictive beginning January 1, 1987 in that bonds issued for nonmanufacturing facilities will no longer be eligible to receive a tax exemption under federal law.

B. Purpose

The purpose of this Executive Order is to allocate Virginia's total bond issuing authority to those Issuing Authorities, both state and local, which are empowered to

issue Private Activity Bonds. The following formula for the allocation of the 1986 and 1987 State Ceiling on Private Activity Bonds is in accordance with the Tax Reform Act of 1986 as signed into law by the President of the United States on October 22, 1986.

C. Definitions

As used herein, these definitions shall apply.

1. "Act" means that public law signed by the President of the United States known as the "Tax Reform Act of 1986."
2. "Allocation Administrator" means the Virginia Department of Housing and Community Development and is the state administering agency of the State Ceiling on Private Activity Bonds.
3. "Allocation" or "Award" means notice given by the Allocation Administrator to provide a project with a specified amount from the State Ceiling for a specific issue of bonds.
4. "Basic Employment Projects" means those facilities that bring new income into Virginia's economy, stimulate additional employment, and are the basis for further economic growth. Goods or services which are sold outside the boundaries of an area or are paid for with funds from outside an area are considered "exports." Export industries are considered to be the Commonwealth's basic employers.
5. "Code" means the Internal Revenue Code of 1986 together with the regulations and rulings issued pursuant thereto.
6. "Expiration Date" means the final date projects which have received an allocation may issue bonds.
7. "Exempt Project" for the purposes of the industrial development portion of the State Ceiling means the following activities:
 - a. Sewage, solid waste and certain hazardous waste disposal facilities; and facilities for the local furnishing of electric energy or gas;
 - b. Certain facilities for the furnishing of water (including irrigation systems);
 - c. Mass commuting facilities;
 - d. Local district heating and cooling facilities.
8. "Governing Body" means the Board of Supervisors of each county and the Council of each city and of each town.
9. "Housing Bonds" means Multifamily Housing Bonds and Single Family Housing Bonds.

Governor

10. "Immediate Allocation" means awards made during 1986 immediately upon the receipt by the Allocation Administrator of applications for projects that meet the following criteria:

- a. The project is a basic employment project.
- b. Except to the extent that a locality has reverted its Local Allocation to the State Reserve, the Locality has allocated at least 90% of its Local Allocation to Basic projects.
- c. The project will create or retain at least one hundred jobs.

11. "Industrial Development Bond" means those obligations issued by the Commonwealth and its issuing authorities which constitute manufacturing, commercial, and exempt facility Private Activity Bonds during 1986 and which constitute manufacturing and exempt facility Private Activity Bonds and the private use portion of governmental projects over the \$15 million threshold amount during 1987.

12. "Issued" means that bonds have actually been delivered and paid for in full. The date of issuance shall be the date on which the bonds have been delivered and paid for in full.

13. "Issuing Authority" means any political subdivision, governmental unit, authority, or other entity of the Commonwealth which is empowered to issue Private Activity Bonds.

14. "Local Allocation" means that portion of the State Ceiling during 1986 that was initially allocated to each locality in Virginia. This allocation reverted to the State Reserve on August 29.

15. "Local Housing Authority" means any issuer of Multifamily Housing Bonds or Single Family Housing Bonds, created and existing under the laws of the State, excluding the Virginia Housing Development Authority.

16. "Locality(y) (ies)" means the individual and collective cities and counties of the Commonwealth of Virginia.

17. "Manufacturing Facility" means any facility which is used in the manufacturing or production of tangible personal property, including the processing resulting in a change of condition of such property.

18. "Multifamily Housing Bond" means any obligation which constitutes an Exempt Facility Bond under federal law for the financing of a qualified residential rental project within the meaning of Section 142 of the Act.

19. "Population" means the most recent estimate of

resident population for Virginia and the counties, cities, and towns published by the United States Bureau of the Census or the Tayloe Murphy Institute of the University of Virginia.

20. "Private Activity Bonds" means those obligations issued by the Commonwealth and its Issuing Authorities which constitute Private Activity Bonds as defined by the Tax Reform Act of 1986, and which are not exempt from the State Ceiling.

21. "Project" means the facility (as described in the application) proposed to be financed, in whole or in part, by an issue of bonds.

22. "Single Family Housing Bonds" means any obligation described as a qualified mortgage bond in Section 143 of the Act.

23. "State Allocation" means the industrial development portion of the State Ceiling allocated to State Issuing Authorities or projects of state or regional interest as determined by the Governor.

24. "State Ceiling" means the amount of Private Activity Bonds that the Commonwealth of Virginia may issue in 1986 or 1987 under the provisions of the Act.

25. "State Reserve" means that portion of the State Ceiling reserved for industrial development bonds which has not been issued or allocated to specific projects, or which has not been allocated to the State Allocation.

26. "Supporting Employment Projects" means those facilities which primarily serve the local economy, such as retail and wholesale trade, contract construction, insurance, real estate, medical and other services.

D. Allocation Procedure for 1986

The State Ceiling for Virginia for all Private Activity Bonds issued between August 15, 1986 and December 31, 1986 will be allocated among housing and industrial development issues.

1. Housing Bonds:

A portion of the Private Activity Bond State Ceiling will be reserved for the issuance of tax exempt multifamily and single family housing bonds. The primary purpose of the Housing Bond Allocation is to increase the availability and affordability of housing opportunities to Virginia's citizens.

The housing portion of the State Ceiling shall be divided between Local Housing Authorities and the Virginia Housing Development Authority. The bond authority allocated to these issuers will be distributed as follows:

Issuer	1986 Allocation
Local Housing Authorities	\$ 35,000,000
Virginia Housing Development Authority	\$ 70,000,000
 Total Housing Allocation	 \$105,000,000

a. Allocation of Local Housing Authority Portion

Any Local Housing Authority may file an application with the Department of Housing and Community Development (the state administrating agency for this portion of the State Ceiling) to request an allocation of housing bond authority. To be considered valid, each application shall be accompanied by the following:

1. A full identification and description, as specified by the Department of Housing and Community Development, of each project for which an allocation is being requested.

2. Copies of the following documentation for each project for which an allocation is being requested:

- inducement resolution or other preliminary approval,
- written opinion of bond counsel that the bonds are required to be included under the State Ceiling and that the tenant income requirements established by the Tax Reform Act of 1986 will be met.
- a definite and binding financial commitment agreement or a firm commitment by a financial institution to issue a letter of credit for each project.

To be eligible for an allocation, applications for projects shall be accepted by the Department of Housing and Community Development until 5:00 p.m. on November 25, 1986. Allocation awards will be made upon receipt of completed applications (including documentation specified above).

Any amount of bond authority not allocated to Local Housing Authorities by November 25 will be assigned to the Virginia Housing Development Authority for the issuance of housing bonds.

Allocations shall be made to Local Housing Authorities in chronological order of the receipt of complete applications (including documentation specified above).

Allocations to Local Housing Authorities shall be effective until December 23. A copy of IRS Form 8038 must be received by the Department of Housing and Community Development by 5:00 p.m. on December 23 for all bonds issued by Local Housing Authorities. Allocations not issued by December 23 will be assigned to the Virginia Housing Development Authority. If the Virginia Housing Development

Authority does not have a need for the additional bond authority for current or carryforward purposes it shall be transferred at the request of the Virginia Housing Development Authority to the State Reserve maintained by the Department of Housing and Community Development to allocate to industrial development projects.

b. Allocation of Virginia Housing Development Authority Portion

The portion of the State Ceiling allocated to the Virginia Housing Development Authority shall be used to finance multifamily or single family residential projects, or both. The Virginia Housing Development Authority shall develop allocation criteria and housing bond authority carryforward procedures that will assure compliance with federal regulations.

2. "State Allocation" for 1986:

\$105,000,000 of the State Ceiling shall be allocated to the State Allocation for projects of State Issuing Authorities, for projects of state or regional interest as determined by the Governor, and for projects which have received a transitional exception by federal statute to the Tax Reform Act of 1986.

Such projects shall be allocated, as prescribed by the Governor, a portion of the State Allocation. The Governor may transfer any portion of the State Allocation to the State Reserve maintained by the Allocation Administrator.

3. Industrial Development Bonds:

The portion of the State Ceiling remaining after the allocations for housing bonds and the State Allocation as described above will be reserved for the industrial development bond State Reserve. This amount is approximately \$217,950,000 for industrial development bonds issued after August 15.

a. Application to the State Reserve

A State Reserve for the entire industrial development bond authority will be administered by the Allocation Administrator. The primary purpose of the State Reserve is to assist in the economic development of the Commonwealth of Virginia. It will be administrated as an integral part of the state's economic development effort. The secondary purpose of the State Reserve is to assist political subdivisions, public utilities, and private enterprise in obtaining tax exempt financing for exempt facility projects.

(1) A State Issuing Authority, with the approval of the Governor, or (2) a governing body of any locality may file an application with the Allocation

Governor

Administrator to request an allocation from the State Reserve.

Applications for all projects to the State Reserve Point System shall be accepted by the Allocation Administrator until 5:00 p.m. on November 19.

Applications for immediate allocations may be submitted to the Allocation Administrator until 5:00 p.m. on December 9.

To be considered valid, each application shall be accompanied by the following:

1. A full identification and description, as specified by the Allocation Administrator, of each project for which an allocation is being requested from the State Reserve.

2. Copies of the following documentation for each project for which an allocation is being requested from the State Reserve.

- inducement resolutions or other preliminary approvals,

- documentation of the appropriate elected body's or official's approval of such projects as required by the Code,

- written opinion of bond counsel that the bonds are required to be included under the State Ceiling, and

- a definite and binding financial commitment agreement or a firm commitment by a financial institution to issue a letter of credit for each project.

3. Such additional information as may be requested by the Allocation Administrator.

b. Allocation of State Reserve

All industrial development bonds that were issued between August 15 and September 10 pursuant to the state allocation procedures established by the Governor will be awarded the initial allocation from the industrial development portion of the 1986 State Ceiling. A total of \$66,215,500 of industrial development bonds was issued during this period.

All applications for immediate allocations filed with the Allocation Administrator prior to the State Reserve Point System awards will receive awards from the State Ceiling. Immediate allocation applications that are received between the next point system award date and December 9 shall receive allocations from bond authority remaining in or accruing to the industrial development portion of the State Ceiling.

A request from a governing body of a locality for an allocation from the State Reserve which meets all of the following criteria, as determined by the Allocation Administrator, shall receive an immediate allocation from the State Reserve:

1. The project is a Basic Employment Project.

2. Except to the extent that a locality has reverted its local allocation to the State Reserve, the governing body of the locality has allocated at least 90% of its Local Allocation for Basic Employment Projects, which may include the project for which the allocation from the State Reserve is requested.

3. The project will create or retain, as specified below in Section (E), Criterion 3 of the State Reserve Point System, a minimum of one hundred jobs.

Projects which filed for a third quarter State Reserve Point System allocation would be eligible for an award if the documentation concerning the financial commitment agreement and the bond counsel opinion is submitted to the Allocation Administrator.

All projects, other than the immediate projects, will be ranked according to the point system described in Section (E) below. Allocations will be made to projects in order of their ranking until all of the bond issuing authority reserved for industrial development purposes has been allocated.

The State Reserve Point System awards from this allocation period will be made approximately November 21.

All allocations awarded prior to December 29 shall be limited to \$10 million per project.

The industrial development bond authority allocations will be effective until December 23. An IRS Form 8038 must be received by the Allocation Administrator by 5:00 p.m. December 23 for all industrial development bonds issued during this allocation period.

Any bond issuing authority remaining in the State Reserve after December 23 will be awarded beginning December 29 to projects having applications [including all the documentation specified in Section D(3)(a)(2) of this Executive Order] on file with the Allocation Administrator before December 12 in the following priority order:

1. Local government projects for the following exempt facilities;

- a. Sewage, solid waste and qualified hazardous waste disposal facilities; and facilities for the local furnishing of electric energy or gas.

b. Facilities for the furnishing of water, including irrigation facilities.

The requesting governing body must have allowed to revert to the State Reserve a portion of its Local Allocation equal to 10 percent of the project, or 10 percent of the Local Allocation, whichever is the lesser, to be eligible for this priority.

2. Projects requiring an allocation to cover the private use portion of governmental projects over the \$15 million threshold amount.

3. Public utility projects for the following facilities:

a. Sewage, solid waste and qualified hazardous waste disposal facilities; and facilities for the local furnishing of electric energy and gas.

b. Qualified facilities for the furnishing of water, including irrigation facilities.

4. Private sector projects of the type described in a. and b. of 3 above.

5. All other eligible exempt projects.

6. Virginia Housing Development Authority bonds.

7. Student loan bonds.

E. 1986 Point System

The following State Reserve Point System shall be utilized for bond issuing authority allocations from the State Reserve. The Allocation Administrator shall assign points to each project according to the State Reserve Point System. At the conclusion of each period, all projects for which an allocation is requested will be ranked, from highest to lowest, based on the number of points assigned. The project receiving the highest number of points will be ranked first, and the project receiving the lowest number of points will be ranked last. The Allocation Administrator will allocate bond issuing authority to projects in the order of their ranking until the all bond issuing authority has been allocated.

STATE RESERVE POINT SYSTEM

Criterion	Relative Weight	Maximum Points
1. Project Type	20%	300
Basic Employment	20%	300
Exempt	10%	150
Supporting Employment	0	0
2. Use of State or Local Allocation	13%	200
90% or more reallocated to State Reserve or allocated for Basic Employment Projects.	13%	200

66% to 89% allocated for Basic Employment Projects.	7%	100
Less than 66% allocated for Basic Employment Projects.	0%	0
Subtotal	33%	500
3. Number of Jobs Created (Net) or Retained	25%	375

The net number of jobs created that are new to Virginia will be counted. Jobs resulting from a proposed project or individual entities within a project which are relocating within Virginia will not be counted. Where there is a significant threat that existing jobs will be lost to Virginia due to relocation or obsolescence, the preservation of such jobs shall be counted as if they were new jobs.

4. Local Unemployment Rate	15%	225
5. Wages Per Employee	10%	150
6. Percent of Total Project to be Financed with Other than Private Activity Bonds	10%	150
7. Increased Assessed Value of Real Property	7%	100

Scoring for this factor will involve ranking the projects according to the projected increase in assessed value of real property involved in each project in terms of land and buildings. This factor will give special emphasis to those projects which entail the largest investment. This will produce the greatest tax revenues for the locality.

Subtotal	67%	1,000
Total	100%	1,500

Bonus Criteria

8. Virginia Community Certification Program	5%	75
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Bonus points will be given if the project is to be located in a locality that is certified under the Department of Economic Development's Community Certification Program. This bonus provision will help reward those communities that have demonstrated an interest in attracting economic development by successfully completing this program. A smaller bonus of fifteen (15) points will be given if the project is to be located in a community that has enrolled in the program.

9. Location in Urban Enterprise Zone	5%	75
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Bonus points will be awarded to those projects which propose to locate in areas designated by the Governor as urban enterprise zones. This bonus criterion will offer an additional incentive to those firms willing to locate in depressed areas of the Commonwealth, where business investment and the resulting jobs opportunities are desperately needed to help revitalize

the community.

10. Multi-Jurisdictional Basic Employment or Exempt Projects	7%	100
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Bonus points will be given to Basic Employment or Exempt projects jointly supported by two or more contiguous localities if one or more of the localities revert a portion of their Local Allocation to the State Reserve to be reallocated to the locality in which the project will be located. This bonus measure will encourage localities in a region to work together in providing financial support for larger projects. This "leveraging" of their Local Allocation will be rewarded with bonus points towards an allocation from the State Reserve.

The assignment of points for the above ten criteria shall be calculated according to two methodologies. For criterion 1 "Project Type" (300 points), criterion 2 "Use of State or Local Allocation" (200 points), criterion 8 "Virginia Community Certification Program" (75 points), criterion 9 "Location in Urban Enterprise Zone" (75 points), and criterion 10 "Multi-Jurisdictional Basic Employment or Exempt Project" (100 points), the points specified for each will be awarded if the conditions of the criterion are met. For example, if the project type is an Exempt Project, it will receive 150 points; if it is located in an urban enterprise zone, it will receive 75 points. These five criteria can provide a maximum of 750 points.

Points based on criterion 3 "Number of Jobs Created (Net) or Retained" (375 points), criterion 4 "Local Unemployment Rate" (225 points), criterion 5 "Wages per Employee (150 points), criterion 6 "Percent of Total Project to be Financed with Other Than Private Activity Bonds" (150 points), and criterion 7 "Increased Assessed Value of Real Property" (100 points), shall be assigned points according to a ranking process. Relevant information on each project or on the Locality in which the project will be sited shall be ranked from highest to lowest for each criterion. The total points for each criterion will be segmented into point groups that have a 25 point differential. The highest point group shall receive the maximum points for each criterion. The Allocation Administrator shall assign the highest ranking project(s) to the highest point group. The remaining projects shall receive points according to the point group to which the project is assigned. The lowest point group for criterion 4 and criterion 7 will be 25 points, for criteria 3, 5 and 6 it will be 0 points. If the project will not create any new jobs or retain any existing jobs, no points will assigned to the project for criterion 3. Similarly, if no jobs are to be created or retained, no new wages will be paid, and therefore no points will be assigned to the project for criterion 5. These five criteria can yield a maximum of 1,000 points.

F. Allocation Procedure for 1987

The State Ceiling for Virginia during 1987 for all Private

Activity Bonds will be allocated among housing and industrial development issues.

1. Housing Bonds

A portion of the Private Activity Bond State Ceiling during 1987 will be reserved for the issuance of tax exempt multifamily and single family bonds. An amount equal to \$190,000,000 of the Virginia State Ceiling on Private Activity Bonds will be provided for housing issues. The bond authority will be allocated to Local Housing Authorities and the Virginia Housing Development Authority as follows:

Issuer	Portion of 1986 Private Activity Bond Ceiling
Local Housing Authorities	\$ 60,000,000
Virginia Housing Development Authority	\$130,000,000
Total Housing Allocation	\$190,000,000

a. Allocation of Local Housing Authority Portion

Any Local Housing Authority may file an application with the Department of Housing and Community Development (the state administrating agency for this portion of the State Ceiling) to request an allocation of housing bond authority. To be considered valid, each application shall be accompanied by the following:

1. A full identification and description, as specified by the Department of Housing and Community Development, of each project for which an allocation is being requested.
2. Copies of the following documentation for each project for which an allocation is being requested.
 - inducement resolutions or other preliminary approvals,
 - documentation of the appropriate elected body's or official's approval of such projects.
 - written opinion of bond counsel that the bonds are required to be included under the State Ceiling and that the tenant income requirements established by the Tax Reform Act of 1986 will be met.
 - A definite and binding financial commitment agreement or a firm commitment from a financial institution to issue a letter of credit for each project.

In order to assure that bond issuing authority is available to local housing authorities throughout the year, the portion of the State Ceiling reserved for Local Housing Authorities shall be divided into two equal amounts and allocated during two separate application periods as follows:

Application Period	Dates
1	January 2 - June 1, 1987
2	June 2 - November 9, 1987

Awards shall be made in the chronological order of receipt of completed applications (including the attachments detailed above) until the entire bond authority for the period is allocated.

The allocation for each project shall be effective for ninety (90) days after the allocation award date or until November 9th, whichever is earlier.

Projects shall be limited to one allocation per application period.

For all bonds that are issued, an IRS Form 8038 must be received by the Department of Housing and Community Development by 5:00 p.m. on the expiration date of the award.

Any bond issuing authority remaining in the Local Housing Authority portion of the housing bond allocation after November 9, 1987 will be transferred to the Virginia Housing Development Authority on November 12, 1987.

If the Virginia Housing Development Authority does not have a need for the additional bond authority for current or carryforward purposes it shall be transferred at the request of the Virginia Housing Development Authority to the State Reserve maintained by Department of Housing and Community Development to allocate to manufacturing and exempt industrial development projects.

b. Allocation of Virginia Housing Development Authority Portion

The portion of the State Ceiling allocated to the Virginia Housing Development Authority shall be used to finance multifamily or single family residential projects, or both. The Virginia Housing Development Authority shall develop allocation criteria and housing bond authority carryforward procedures that will assure compliance with federal regulations.

2. "State Allocation" for 1987

\$70,000,000 of the State Ceiling shall be allocated to the State Allocation for projects of State Issuing Authorities, for projects of state or regional interest as determined by the Governor, and for projects which have received a transitional exception by federal statute to the Tax Reform Act of 1986.

Such projects shall be allocated, as prescribed by the Governor, a portion of the State Allocation. The Governor may transfer any portion of the State Allocation to the State Reserve maintained by the Allocation Administrator.

3. Industrial Development Bonds

During 1987, Private Activity Bonds for industrial development purposes are limited to manufacturing facilities, exempt projects, and projects requiring an allocation to cover the private use portion of governmental bonds over the \$15 million threshold amount. The portion of the State Ceiling remaining after the allocations for housing bonds and the State Allocation will be reserved for industrial development bonds.

a. Application to the State Reserve

A State Reserve for the entire industrial development bond authority will be administered by the Allocation Administrator.

A State Issuing Authority, with the approval of the Governor, or a governing body of any locality may file an application with the Allocation Administrator to request an allocation from the State Reserve. To be considered valid, each application shall be accompanied by the following:

1. A full identification and description, as specified by the Allocation Administrator, of each project for which an allocation is being requested from the State Reserve.
2. Copies of the following for each project for which an allocation is being requested from the State Reserve.
 - inducement resolutions or other preliminary approvals,
 - documentation of the appropriate elected body's or official's approval of such projects as required by the Code,
 - written opinion of bond counsel that the bonds are required to be included under the State Ceiling, and
 - a definite and binding financial commitment agreement or a firm commitment from a financial institution to issue a letter of credit for each project.

3. Such additional information as may be requested by the Allocation Administrator.

b. Allocation of State Reserve

In order to assure that bond authority is available throughout the year, the total industrial development bond portion of the state ceiling shall be divided into two equal amounts and awarded during two application periods as follows:

Application Period	Dates
1	January 2 - June 1, 1987

All allocations prior to November 10, 1987 shall be limited to \$10 million per project.

Awards shall be made in the chronological order of receipt of completed applications (including the attachments detailed above) until all the bond authority for the period is allocated.

The allocations for each project will be effective for ninety (90) days after the allocation award date or until November 9th, whichever is earlier.

Projects shall be limited to one allocation per application period.

For all bonds that are issued, an IRS Form 8038 must be received by the Allocation Administrator by 5:00 p.m. on the expiration date of the award.

Any bond issuing authority remaining in the State Reserve after November 9 will be awarded beginning November 12 to projects having applications [including the documentation specified in Section F(3)(a)(2) of this Executive Order] on file with the Allocation Administrator before November 1 in the following priority order:

1. Local government projects for the following exempt facilities:
 - a. Sewage, solid waste and qualified hazardous waste disposal facilities; and facilities for the local furnishing of electric energy or gas.
 - b. Facilities for the furnishing of water, including irrigation facilities.
2. Public utility projects for the following facilities:
 - a. Sewage, solid waste and qualified hazardous waste disposal facilities; and facilities for the local furnishing of electric energy and gas.
 - b. Qualified facilities for the furnishing of water, including irrigation facilities.
3. Private sector projects of the type described in a. and b. of 2 above.
4. All other eligible manufacturing and exempt projects.
5. Virginia Housing Development Authority bonds.
6. Student loan bonds.

Bonds for projects awarded allocations from the State Reserve after November 12, 1987 may be issued during the calendar year or the allocations may be

carried forward to such future years if and as permitted by the Act.

This Executive Order supersedes Executive Order 54(85) Revised, Federal Limit on Private Activity Bonds, issued on July 14, 1986 by Governor Gerald L. Baliles.

This Executive Order shall become effective on its signing and shall remain in full force and effect until January 1, 1988 unless amended or rescinded by further Executive Order or statute.

Given under my hand and the Seal of the Commonwealth of Virginia this 16th day of November, nineteen hundred and eighty-six.

/s/ Gerald L. Baliles
Governor

EXECUTIVE ORDER NUMBER TWENTY-NINE (86)

AUTHORITY AND RESPONSIBILITY OF THE GOVERNOR'S SECRETARIES

By virtue of the authority vested in me by Sections 2.1-39.1, 2.1-51.8:1, 2.1-51.9, 2.1-51.14, 2.1-51.15, 2.1-51.17, 2.1-51.18, 2.1-51.20, 2.1-51.21, 2.1-51.26, 2.1-51.27, 2.1-51.33, 2.1-51.34, 2.1-51.39 and 2.1-51.40 of the Code of Virginia, and subject always to my continuing, ultimate authority and responsibility to act in such matters and to reserve powers, I hereby affirm and delegate to the Governor's Secretaries the powers and duties set out below.

A. Agencies are assigned to the Secretaries as follows.

1. To the Secretary of Administration:
 - a. Commission on Local Government
 - b. Compensation Board
 - c. Department of Employee Relations Counselors
 - d. Department of General Services
 - e. Department of Information Technology
 - g. Department of Personnel and Training
 - h. State Board of Elections
 - i. Virginia Supplemental Retirement System
 - j. The following agencies shall report to the Secretary of Administration on administrative matters, but shall report directly to the Governor on executive policy matters:

Secretary of the Commonwealth

Virginia Liaison Office

2. To the Secretary of Economic Development:

- a. Commission for the Arts
- b. Department of Agriculture and Consumer Services
- c. Department of Commerce
- d. Department of Economic Development
- e. Department of Forestry
- f. Department of Housing and Community Development
- g. Department of Labor and Industry
- h. Department of Mines, Minerals and Energy
- i. Department of Minority Business Enterprise
- j. Milk Commission
- k. Virginia Employment Commission

3. To the Secretary of Education:

- a. Board of Regents of Gunston Hall
- b. Christopher Newport College
- c. The College of William and Mary
- d. Department of Education
- d. Frontier Culture Museum of Virginia
- f. George Mason University
- g. James Madison University
- h. Jamestown-Yorktown Foundation
- i. Longwood College
- j. Mary Washington College
- k. Norfolk State University
- l. Old Dominion University
- m. Radford University
- n. State Council of Higher Education for Virginia
- o. The Science Museum of Virginia
- p. University of Virginia

q. Virginia Commonwealth University

r. Virginia Community College System

s. Virginia Military Institute

t. Virginia Museum of Fine Arts

u. Virginia Polytechnic Institute and State University

v. Virginia State Library

w. Virginia State University

4. To the Secretary of Finance:

- a. Department of Accounts
- b. Department of Planning and Budget
- c. Department of the State Internal Auditor
- d. Department of Taxation
- e. Department of the Treasury
- f. Treasury Board

5. To the Secretary of Human Resources:

- a. Council on Indians
- b. Council on the Status of Women
- c. Department for the Aging
- d. Department for Children
- e. Department of Health
- f. Department of Health Regulatory Boards
- g. Department of Medical Assistance Services
- h. Department of Mental Health and Mental Retardation
- i. Department of Rehabilitative Services
- j. Department for the Rights of the Disabled
- k. Department of Social Services
- l. Department for the Visually Handicapped
- m. Department of Volunteerism
- n. Governor's Employment and Training Department
- o. Virginia Department for the Deaf and Hard-of-Hearing

Governor

p. Virginia Health Services Cost Review Council

6. To the Secretary of Natural Resources:

- a. Chippokes Plantation Farm Foundation
- b. Commission of Game and Inland Fisheries
- c. Council on the Environment
- d. Department of Conservation and Historic Resources
- e. Department of Waste Management
- f. Marine Resources Commission
- g. State Air Pollution Control Board
- h. State Water Control Board

7. To the Secretary of Transportation and Public Safety:

- a. Commonwealth's Attorneys' Services and Training Council
- b. Department of Alcoholic Beverage Control
- c. Department of Aviation
- d. Department of Correctional Education
- e. Department of Corrections
- f. Department of Criminal Justice Services
- g. Department of Fire Programs
- h. Department of Highways and Transportation
- i. Department of Military Affairs
- j. Department of State Police
- k. Department of Motor Vehicles
- l. State Department of Emergency Services
- m. Virginia Parole Board
- n. Virginia Port Authority

B. With respect to the appropriate aforementioned agencies, each Secretary is empowered to:

- 1. Direct the development of goals, objectives, policies, and plans that are necessary to the effective and efficient operation of government;
- 2. Hold agency heads accountable for their

administrative, fiscal, and program actions in the conduct of the respective powers and duties of the agencies;

3. Resolve administrative, jurisdictional, operational, program, or policy conflicts between agencies or officials; and

4. Coordinate communications with the federal government and the governments of the other states, subject to guidelines established under my direction, in matters related to agency programs and activities.

5. Receive first all reports that by law are required from any assigned agency to be presented to the Governor. Except as specifically delegated, however, the Governor retains the responsibility for the submission of reports to the General Assembly.

6. Receive all recommendations required of assigned agencies by statute to be made to the Governor and to convey them to the Governor.

C. Responsibility for directing the formulation of a comprehensive program budget, as identified in § 2.1-51.20 and § 2.1-398 of the Code of Virginia, is delegated in the following manner:

1. The Secretary of Administration is empowered to direct the formulation of comprehensive program budget recommendations to the Governor through the Department of Planning and Budget for that portion of the area of General Government encompassing agencies assigned to the Secretary in Part A of this Executive Order.

2. The Secretary of Economic Development is empowered to direct the formulation of comprehensive program budget recommendations to the Governor through the Department of Planning and Budget for that portion of the area of Resources and Economic Development encompassing agencies assigned to the Secretary in Part A of this Executive Order.

3. The Secretary of Education is empowered to direct the formulation of comprehensive program budget recommendations to the Governor through the Department of Planning and Budget for the area or cultural affairs encompassing agencies assigned to the Secretary in Part A of this Executive Order. The Secretary of Education is authorized to direct the preparation of alternative policies, plans, and budgets for the area of elementary, secondary, and postsecondary education activities encompassing agencies assigned to the Secretary in Part A of this Executive Order.

4. The Secretary of Finance is empowered to direct the formulation of comprehensive program budget recommendations to the Governor through the Department of Planning and Budget for that portion of

the area of General Government encompassing agencies assigned to the Secretary in Part A of this Executive Order.

5. The Secretary of Human Resources is empowered to direct the formulation of comprehensive program budget recommendations to the Governor through the Department of Planning and Budget for the area of Individual and Family Services encompassing agencies assigned to the Secretary in Part A of this Executive Order.

6. The Secretary of Natural Resources is empowered to direct the formulation of comprehensive program budget recommendations to the Governor through the Department of Planning and Budget for that portion of the area of Resources and Economic Development encompassing agencies assigned to the Secretary in Part A of this Executive Order.

7. The Secretary of Transportation and Public Safety is empowered to direct the formulation of comprehensive program budget recommendations to the Governor through the Department of Planning and Budget for the areas of Administration of Justice and Transportation encompassing agencies assigned to the Secretary in Part A of this Executive Order.

D. Each Secretary shall serve as the liaison with those non-state agencies, interstate compacts, and other non-state organizations that receive appropriations or support through those state agencies that report to that Secretary.

E. Each Secretary is empowered to employ such personnel and to contract for such consulting services as may be required to perform the powers and duties conferred upon the Secretary by statute or executive order subject to the funds available for the operation of the office and to state law and regulation.

Each Secretary is empowered, respectively, to take those actions or to sign, in my stead, those documents referenced below by subject matter in the Appropriation Act or Code of Virginia section cited.

1. Secretary of Administration:

Authorizing Item or Section	Subject Matter of Authority Delegated
4-6.04c Appropriation Act General Provisions	Determine use of parking charges paid by employees in designated agencies.
4-8.01c.2 Appropriation Act General Provisions	Submit report on employment of special counsel in certain highway proceedings.
2.1-20.1 Code of Virginia	Establish and approve health insurance plan for state employees to be administered by Department of Personnel and Training.
2.1-20.1:1 Code of Virginia	Set policies regarding ownership of patents and copyrights of intellectual

	property developed by state employees.
2.1-114.2 (a) and (b) Code of Virginia	Oversee and monitor establishment and maintenance of classification plan and administration of compensation plan.
2.1-234.13 Code of Virginia	Approve leases proposed by Virginia Public Building Authority, as lessee or lessor, and sale, transfer and conveyance of property acquired or constructed by Authority.
2.1-489 Code of Virginia	Approve preparation and amendment of long-range site plan for location of state buildings in Richmond area, acquisition of land to effect plan, and execution of projects.
2.1-490 Code of Virginia	Exempt certain projects from provisions of § 2.1-489.
2.1-504.2 Code of Virginia	Approve acquisition of real property by state agencies.
2.1-504.3 Code of Virginia	Approve conveyance and transfer of real property by state agencies.
2.1-504.4 Code of Virginia	Approve conveyance of easements and appurtenances thereto to utility companies, public service companies, cable television companies and political subdivisions by state agencies.
2.1-504.5 Code of Virginia	Approve conveyance of land to Department of Highways and Transportation by state agencies.
2.1-505 Code of Virginia	Authorize transfer of surplus state-owned property to Department of General Services.
2.1-511 Code of Virginia	Approve temporary transfer of real property between state agencies or temporary leases to private entities under stated conditions.
2.1-512 Code of Virginia	Approve sale or lease of surplus property.
2.1-512.1 Code of Virginia	Determine if mineral exploration, leasing or extraction is in public interest. Approve execution of leases or contracts.
2.1-526.3 (A) Code of Virginia	Exempt any agency, institution of higher education or part thereof from any part of risk management and insurance program.
2.1-526.6 Code of Virginia	Approve insurance plan for state-use motor vehicles.
2.1-526.7 Code of Virginia	Approve insurance plan for state-owned or state-occupied buildings and state-owned contents.
2.1-526.8 Code of Virginia	Approve public liability insurance plan.
2.1-526.8:1 Code of Virginia	Approve insurance plans administered for political subdivisions, constitutional officers and other specified entities.
2.1-526.9 Code of Virginia	Approve blanket surety bonding plan for state employees.
2.1-526.10	Approve workers' compensation

Governor

Code of Virginia	insurance program for state employees.	15.1-22 Code of Virginia	Accept land by deed of gift from local governing body for establishment, operation or maintenance of a branch of state-supported college or university.
4-7 (f) Code of Virginia	Approve purchase or acquisition of title to land or buildings required for alcoholic beverage control purposes. Approve sale or conveyance of same.	15.1-264 Code of Virginia	Approve acceptance by state institutions of higher education, conveyance from two or more political subdivisions of real property located in one of the political subdivisions.
7.1-20 Code of Virginia	Approve deeds conveying certain waste and unappropriated lands, plus certain marshlands in Accomack and Northampton counties.	15.1-265 Code of Virginia	Approve, for higher education institutions, conveyance from any political subdivision of real property in that political subdivision or in an adjacent city or county.
7.1-23 Code of Virginia	Approve conveyance of land, ceded to and no longer used by the United States, to political subdivisions.	21-11.9 Code of Virginia	Approve sale of water storage facilities authorized by § 21-11.3(2) to entity eligible for loan under § 21-11.3(1).
7.1-25.1 Code of Virginia	Accept lands in Virginia relinquished by the United States.	23-4.1 Code of Virginia	Approve sale, lease or conveyance of real property by boards of visitors or trustees of state educational institutions.
9-6.18 Code of Virginia	Approve withholding of compensation of agency officers or employees until they comply with Virginia Register Act.	23-4.4 Code of Virginia	Approve transfers by boards of visitors, State Board for Community Colleges, or their designees of interests in intellectual property developed wholly or significantly through use of state general funds under state conditions.
9-81 Code of Virginia	Approve sale, granting or conveyance of real property by Virginia Museum of Fine Arts Board of Trustees.	23-9.1 Code of Virginia	Approve, at request of State Board of Education, granting of easements on property of institutions under the Board to political subdivisions, cable television companies, public utility or public service companies.
9-84.1 Code of Virginia	Accept property known as The White House of the Confederacy, any buildings of the Confederate Memorial Literary Society, and the Lee House.	23-49.21 Code of Virginia	Approve, at request of Board of Old Dominion University, lease, sale or conveyance of real estate to which it has acquired title.
9-97 (e) and (f) Code of Virginia	Approve requests from Jamestown-Yorktown Foundation to acquire lands, property and structures necessary to its purposes, or to lease land owned by the Foundation.	23-50.13 Code of Virginia	Approve, at request of Virginia Commonwealth University Board, sale, lease or conveyance of real estate, including easements, to which it has acquired title.
9-99.4 (7) and (8) Code of Virginia	Approve acquisitions of real property by Virginia Frontier Culture Museum Board of Trustees. Approve leases of land by the Trustees.	23-77.1 Code of Virginia	Approve, at request of University of Virginia Board, sale, lease or conveyance of real estate to which it has acquired title.
9-254 Code of Virginia	Authorize percentage of net royalties to be shared with developers of patented, copyrighted, patentable, or copyrightable property.	23-91.33 Code of Virginia	Approve, at request of Board of George Mason University, sale, lease or conveyance of real estate to which it has acquired title.
10-17 Code of Virginia	Approve request of Director, Department of Conservation and Historic Resources for services of Attorney General.	23-91.44 Code of Virginia	Approve, at request of Mary Washington College Board, sale, lease or conveyance of real estate to which it has acquired title.
10-17.110 Code of Virginia	Approve major state land acquisition or construction projects after review of environmental impact statement of Council on the Environment, in order for State Comptroller to authorize payment of funds from state treasury.	23-184.10 Code of Virginia	Approve, at the request of James Madison University Board, conveyance of easements for property of the University.
10-17.114 (A, B, and C) Code of Virginia	Approve under stated conditions conveyance of easements, leases or fee simple of land and other properties held or controlled by Department of Conservation and Historic Resources.	29-11.1 Code of Virginia	Approve contracts respecting or to lease any land or buildings
10-21 (D) Code of Virginia	Approve leasing of property acquired by gift or contribution by Director, Department of Conservation and Historic Resources.		

	held by Commission of Game and Inland Fisheries to private persons, corporations, associations, other agencies, public authorities or political subdivisions.
29-37.2 Code of Virginia	Approve compensation of special counsel appointed by the Governor to defend game wardens prosecuted on criminal charges.
37.1-12 Code of Virginia	Approve request of Commissioner of Mental Health and Mental Retardation to raze buildings under Commissioner's supervision and control.
51-111.24 (f) Code of Virginia	Approve investment in real estate by Virginia Supplemental Retirement System Board of Trustees to be used as administrative offices for the System.
51-111.24:5 Code of Virginia	Approve, with concurrence of Virginia Port Authority, investment in certain port facilities by Virginia Supplemental Retirement System.
51-111.24:6 Code of Virginia	Approve, with concurrence of Virginia Public Buildings Commission, investment in sites and buildings by Virginia Supplemental Retirement System for occupancy by state agencies.
53.1-17 Code of Virginia	Approve payment for counsel for defense of custodial officers under certain conditions.
53.1-31 Code of Virginia	Approve contracts and leases for removal or mining of gas, oil or minerals found in real estate titled to Board of Corrections.
53.1-81 Code of Virginia	Authorize sale of state land for regional jail facilities.
57-5 Code of Virginia	Enter lease agreement with Virginia Division of United Daughters of the Confederacy for use of Pelham Chapel.
60.1-128 Code of Virginia	Approve compensation of assistants or special counsel appointed by Attorney General to aid Virginia Employment Commission.

2. Secretary of Economic Development:

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
3.1-690 Code of Virginia	Approve adoption of codes or marketing agreements approved by federal officials under Agricultural Adjustment Act.
3.1-739.1 Code of Virginia	Accept rules and regulations in state's behalf regarding suppression of specified diseases in domestic animals. Cooperate accordingly with federal officials.
13.1-985 Code of Virginia	Approve articles of incorporation for industrial development corporations by State Corporation Commission.
27-54.1 Code of Virginia	Issue proclamations to close certain areas where extraordinary fire hazards exist.
27-54.5 Code of Virginia	Issue proclamations prohibiting open burning.
40.1-22.1 Code of Virginia	Authorize agreements with U.S. Occupational Safety and Health Administration to provide training

	to employees of Department of Labor and Industry and other state agencies to assist in enforcing Public Law 91-596.
45.1-381 Code of Virginia	Execute Interstate Compact to Conserve Oil and Gas.
60.1-45 Code of Virginia	Approve Virginia Employment Commission reciprocal agreements.

3. Secretary of Education:

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
3.1-41 Code of Virginia	Approve plans and services of Extension Division of Virginia Polytechnic Institute and State University and Cooperative Extension Service Program of Virginia State University.
3.1-46 Code of Virginia	Request status report of Extension activities.
23-38.33:1 (5), (9), and (13) Code of Virginia	Resolve differences between Virginia Educational Loan Authority and State Education Assistance Authority over issuance of obligations by VELA. Approve agreements or contracts submitted to federal government by VELA. Resolve differences between VELA and SEAA over VELA's loan and collections policies.
23-261 Code of Virginia	Assign additional duties to State Council of Higher Education in its capacity as State Commission on Postsecondary Education.

4. Secretary of Finance:

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
4-1.02a Appropriation Act General Provisions	Withhold appropriations.
4-1.06a Appropriation Act General Provisions	Prescribe management standards for higher education institutions under which unexpended appropriations may be reappropriated.
4-1.08 Appropriation Act General Provisions	Act on appeals of agency heads regarding allotment actions taken by Department of Planning and Budget.
4-2.01c Appropriation Act General Provisions	Exempt agencies from indirect cost recovery provisions.
4-5.01a Appropriation Act General Provisions	Designate operating expense appropriations for payment of claims settled pursuant to § 2.1-127, Code of Virginia.
2.1-174 Code of Virginia	Receive notice of absence of State Treasurer and State Comptroller when absence exceeds five days.
2.1-223.6 Code of Virginia	Approve payment of claims referred by State Comptroller otherwise not allowed due to expiration of time limits.
2.1-321 Code of Virginia	Approve temporary borrowing of monies by Treasury Board.
2.1-393 Code of Virginia	Prepare annually, for Governor's submission to General Assembly,

Governor

	six-year estimates of revenue collections for the general fund and each major nongeneral fund.	Code of Virginia	borrowing funds to purchase real estate under certain conditions.
2.1-526.5 (D) Code of Virginia	Approve allotments from State Insurance Reserve Trust Fund for damage or loss of state-owned structures or contents.	23-30.27:1 C Code of Virginia	Request detail from higher education institutions on specific equipment to be acquired through Virginia College Building Authority. Approve emergency acquisitions and leases under state conditions.
3.1-22.18 Code of Virginia	Approve farm disaster loans and increase or decrease maximum amount of loans.	23-38.10:4 B and C Code of Virginia	Approve cancellation of indebtedness on obligation from student loan fund of higher education institution under certain conditions.
3.1-22.20 Code of Virginia	Allocate monies to Farmers Major Disaster Fund.	23-38.10:7 Code of Virginia	Approve, at request of board and president of higher education institution, borrowing money under certain conditions to provide additional student loan funds.
3.1-68 through 3.1-70 Code of Virginia	Authorize loans from Produce Market Loan Fund. Prescribe manner in which principal and interest shall be secured.	36-55.41 Code of Virginia	Submit to presiding officer of each house of the General Assembly budget that includes sum required to restore capital reserve fund of Housing Development Authority.
3.1-188.27 Code of Virginia	Approve funds for cooperative efforts with agencies in other states or the federal government in pest control.	44-14 Code of Virginia	Approve expenditures of Department of Military Affairs not specifically provided for, but manifestly for, the benefit of the military service.
4-22 Code of Virginia	Approve amount of quarterly sums allowed for reserve fund of Department of Alcoholic Beverage Control.	44-146.28 Code of Virginia	Expend and allot sufficient funds to carry out disaster service missions and responsibilities.
4-23 Code of Virginia	Approve payment of expenses incurred by State Comptroller, State Treasurer and Auditor of Public Accounts pursuant to provisions of Alcoholic Beverage Control Act.	45.1-152 Code of Virginia	Authorize transfer of funds to Virginia Fuel Commission from state treasury.
6.1-98 Code of Virginia	Approve increase in appropriation to State Corporation Commission for examination of banks and trust companies.	55-184.1 Code of Virginia	Order and set terms of sale for escheated land. Deliver order to State Treasurer, to be transmitted to the escheator, who shall proceed to sell according to such order.
10-14 Code of Virginia	Transfer funds for publicity and advertising from other state agencies to Department of Economic Development or direct funds to be spent as deemed best.	58.1-2 Code of Virginia	Enter into reciprocal agreements with other states for collection of taxes.
10-220 Code of Virginia	Approve allocations from Special Emergency Assistance Fund in time of disaster under provisions of Public Beach Conservation and Development Act (after consultation with Secretary of Natural Resources).	58.1-2146 A. Code of Virginia	Transfer funds from motor fuels fund for inspection of gasoline and motor grease measuring and distributing equipment and for inspection and analysis of gasoline for purity.
10-229 Code of Virginia	Approve financing, construction, ownership, operation, and maintenance of fuel conversion facility by Virginia Fuel Conversion Authority under specified conditions.	62.1-132.19 Code of Virginia	Approve expenditure or indebtedness by Virginia Port Authority for certain, otherwise restricted, improvements, repairs or additions to or maintenance of property.
10-239 Code of Virginia	Request Auditor of Public Accounts to audit Virginia Fuel Conversion Authority.		
21-11.3 Code of Virginia	Approve loans of more than \$500,000 for water storage facilities. Approve investments in certain water storage facilities from Conservation, Small Watersheds Flood Control and Area Development Fund.	5. Secretary of Human Resources: Authorizing Item or Section	Subject Matter of Authority Delegated
21-11.9 Code of Virginia	Approve expenditures of more than \$500,000 for any one facility financed under § 21-11.3.	2.1-598 Code of Virginia	Submit state plan for community action agencies to Secretary of Health and Human Services.
22.1-168 Code of Virginia	Receive petition from Virginia Public School Authority or trustee to secure payment of sums necessary to cover default on bonds held by Authority or trustee.	15.1-36.2 (A), (B), (C), (D), (E), and (H) Code of Virginia	Receive reorganization plans from cities and counties for local human resources agencies under stated conditions. Issue guidelines for such plans. Direct state boards and commissions to modify rules, regulations and guidelines accordingly. Prepare submissions to General Assembly for Governor. Issue guidelines for maintaining records.
23-30.01 Code of Virginia	Approve borrowing by an educational institution upon its endowment and other investments.	28.1-175 Code of Virginia	Request State Health Commissioner to examine or analyze fish or shellfish.
23-30.02	Approve an educational institution's		

		Authorizing Item or Section	Subject Matter of Authority Delegated
32.1-21 Code of Virginia	Approve Board of Health action authorizing State Health Commissioner to hold teaching position.		
37.1-28 Code of Virginia	Authorize Commissioner of Mental Health and Mental Retardation to receive and expend Social Security payments and retirement benefits on behalf of patients at institutions under Commissioner's control.	4-5.03 Appropriation Act General Provisions	Transfer prisoner labor or farm commodities produced.
51.01-2 Code of Virginia	Designate agencies that serve the disabled to formulate cooperative plan in accordance with state law and federal Rehabilitation Act.	4-3.06c.2 Appropriation Act General Provisions	Issue regulations for mileage charges (based on recommendation of Central Car Pool Committee).
63.1-24 Code of Virginia	Request Board of Social Services to investigate questions and consider problems and report their findings and conclusions.	2.1-47 Code of Virginia	Promulgate rules and regulations for purchase, use, maintenance, and repair of state-owned vehicles. Perform certain administrative functions (based on recommendation of Central Car Pool Committee).
63.1-293 Code of Virginia	Change rules of any state agency to assure proper functioning of pilot programs for delivery of human services. Request variances or exceptions to federal rules governing administration of use of funds for human services programs.	4-9 Code of Virginia	Approve purchase or sale of shares of alcoholic beverage manufacturing companies by Department of Alcoholic Beverage Control.
63.1-298 Code of Virginia	Approve cost of administering pilot programs for delivery of human services (costs to be determined by appropriate state agencies and cities and counties where pilot programs are located).	15.1-977.24 Code of Virginia	Receive notification from cities barred from annexation that elect to be treated as immune counties for purposes of State Police services and highway maintenance and construction or notification of termination of such status.
10-154 Code of Virginia	Determine state board, commission, office or officer through which "public bodies" may exercise powers under Open Space Land Act.	16.1-313 Code of Virginia	Approve, for purposes of eligibility for construction reimbursement, plans, including personnel needs, for construction of detention homes, group homes, or other residential care facilities for children in need of services or for delinquent or alleged delinquent youth.
10-266 Code of Virginia	Approve acquisition by Virginia Waste Management Board of lands to be used for hazardous waste management sites.	33.1-42 Code of Virginia	Approve incorporation or elimination of roads or streets into state highway system.
10-290 Code of Virginia	Approve request of Waste Management Board for resources and services of other state agencies in performance of Board's duties for hazardous waste facility sites.	33.1-299 Code of Virginia	Approve turnpike projects proposed by State Highway and Transportation Board.
21-10 Code of Virginia	Approve or disapprove work plans and soil and water conservation programs embodied in federal laws which, by their terms or by related executive orders, require approval.	33.1-340 Code of Virginia	Receive reports of refusal of highway contractors' associations to permit examination of papers, records and accounts. Certify to State Highway and Transportation Board that full examination has been made prior to further letting of any contracts with association members.
28.1-109 (18) Code of Virginia	Approve, at request of Marine Resources Commissioner, lease of public oyster-planting grounds which may be required for dredging operations or spoils disposal areas in connection with federal navigation improvement projects.	44-158 Code of Virginia	Promulgate necessary rules and regulations to mobilize fire fighters to assist other political subdivisions during time a state of war exists between the United States and any foreign country.
41.1-3 Code of Virginia	Control oyster bed, rock, or shoal at Old Magazine at Westhampton and adjacent state lands. Issue regulations for use of this land in interest of state.	46.1-38 Code of Virginia	Approve destroying of any paper or records by Department of Motor Vehicles which are unnecessary to preserve as permanent record.
62.1-4 Code of Virginia	Approve, with Attorney General, certain easements and leases of beds of state waters recommended by Marine Resources Commission.	46.1-57 Code of Virginia	Direct Commissioner of Motor Vehicles to issue license plates for state-owned passenger-type vehicles.
62.1-215 Code of Virginia	Prepare for submission to General Assembly an annual budget that includes sum required to restore Virginia Resources Authority capital reserve funds(s).	46.1-157.1 Code of Virginia	Enter into reciprocal agreements, with advice of Reciprocity Board, with other states for assessing and collecting motor vehicle license fees.
		46.1-315 Code of Virginia	Issue order requiring inspection of motor vehicles, trailers, and semi-trailers by Superintendent of State Police.
		46.1-339 Code of Virginia	Approve increases in axle and gross weight limits on Federal Interstate Highway System on recommendation of Department of Highways and

7. Secretary of Transportation and Public Safety:

Governor

	Transportation.
46.1-413 Code of Virginia	Approve destroying of conviction, forfeiture, assignment, and acceptance of judgment records, under certain conditions, by Commissioner of Motor Vehicles.
52-9.1 Code of Virginia	Approve uniform and insignia design to be adopted by Superintendent of State Police for use of State Police officers.
53.1-45 Code of Virginia	Approve alternatives for sale of articles produced or manufactured and services provided, other than on the open market, and in best interest of state, by Director, Department of Corrections.
53.1-80 Code of Virginia	Approve construction of local jails to qualify for reimbursement.
53.1-81 Code of Virginia	Approve construction of regional jails to qualify for reimbursement.
53.1-82 Code of Virginia	Approve enlargement or renovation of regional jails to qualify for reimbursement.
53.1-191 Code of Virginia	Approve credits towards terms of prisoners for stated reasons.
59.1-162 Code of Virginia	Direct cooperation of Departments of Highways and Transportation and Motor Vehicles with Commissioner of Agriculture and Consumer Services in carrying out provisions of authorizing chapter for testing and inspecting gasoline and lubricating oil.
62.1-132.14 Code of Virginia	Approve contracts known as "agreements of local cooperation" between Virginia Port Authority or other designated agencies and U.S. Army Corps of Engineers.

Should conflicts arise concerning any action authorized by this Executive Order, the matter shall be resolved by the Governor.

This Executive Order will become effective on its signing and will remain in full force and effect until June 30, 1990 unless amended or rescinded by further executive order.

This Executive Order supersedes and rescinds the following executive documents:

Executive Order Number 37 (80), Delegation of Authority for Certain Actions, issued by Governor John N. Dalton on April 1, 1980.

Executive Order Number 12 (82), Executive Manpower Control Program, issued by Governor Charles S. Robb on June 29, 1982.

Executive Order Number 25 (86) (Revised), Continuing Certain Executive Orders Necessary For The Efficient Administration of State Government.

Secretary of Administration and Finance Directive Number 2 (78), Virginia Unemployment Compensation Act, issued by Charles B. Walker on February 27, 1978.

Secretary of Administration and Finance Directive Number 1-82 (Revised), Executive Manpower Control Program, issued by Wayne F. Anderson on December 15, 1983.

Given under my hand and under the Seal of the Commonwealth of Virginia, at Richmond this 15th day of November, 1986.

/s/ Gerald L. Baliles
Governor

EXECUTIVE ORDER NUMBER THIRTY (86)

DELEGATION OF AUTHORITY FOR CERTAIN ACTIONS AFFECTING MANAGEMENT OF THE COMMONWEALTH

By virtue of the authority vested in me by Section 2.1-39.1 of the Code of Virginia and subject to the provisions stated herein, I hereby affirm and delegate to the individuals holding appointments in the positions named herein, the authority to take those actions or to sign, in my stead, those documents referenced herein by subject matter in either the cited Appropriation Act General Provisions or Code of Virginia sections, in accordance with the following conditions:

1. The delegations stated herein are subject always to my continuing, ultimate authority and responsibility to act in such matters.

2. Each Secretary shall provide policy guidance to those persons under the Secretary's supervision who are authorized to take such actions set forth in this Executive Order and shall be advised by such persons of any proposed actions which may be in conflict with such guidance.

3. Should conflicts arise among agencies within a Secretarial area concerning any action authorized by this Executive Order, that Secretary is hereby authorized to resolve them. Should conflicts arise among agencies in more than one Secretarial area concerning any action authorized by this Executive Order, the matter shall be resolved by the Governor.

4. All reports and recommendations that by law are required from any entity to be presented to the Governor must first be given to the Secretary to whom the entity is assigned. In the instance of the executive budget as required in Chapter 27 of Title 2.1 of the Code of Virginia, the executive budget as formulated by the Department of Planning and Budget shall be first given to the Secretary of Finance. Except as specifically delegated, however, the Governor retains the responsibility for the submission of reports and recommendations to the General Assembly.

5. All authority given to the Governor pertaining to emergencies, military affairs, appointments, and membership in all organizations shall be retained by the Governor unless explicitly delegated by Executive Order.

Part 1: Delegation of Authority to Officials Within the Office of Administration

A. To the Director, Department of General Services

Authorizing Item or Section	Subject Matter of Authority Delegated
4-2.02c. Appropriation Act General Provisions	Develop guidelines and procedures for assessment of service and rental charges for use of state-owned facilities by nongeneral fund agencies or activities.
4-4.01c. Appropriation Act General Provisions	Approve preliminary requirements for capital projects.
4-4.01h. Appropriation Act General Provisions	Approve variances in conformance with space planning guides for capital projects (after recommendation from the State Council of Higher Education for institutions of higher education).
4-8.01d1 Appropriation Act General Provisions	Submit reports on progress of specified capital projects to House Appropriations and Senate Finance Committees.
2.1-11.1 Code of Virginia	Designate certain officers to give surety bonds, fix penalties. Require new or additional bonds.
2.1-46 Code of Virginia	Assign and reassign rooms and space in public buildings at the seat of government.
2.1-48 Code of Virginia	Approve transfer of surplus passenger vehicles among state agencies.
2.1-132 Code of Virginia	Assign office space for Attorney General and supporting personnel.
2.1-154 Code of Virginia	Fix surety bond penalty for Auditor of Public Accounts. Determine Auditor's employees who should be bonded and approve their penalties fixed by the Auditor.
2.1-451 Code of Virginia	Order exempted materials, equipment, and supplies to be purchased through Division of Purchases and Supply.
2.1-456 Code of Virginia	Issue notices to state agencies to desist from violations of centralized purchasing provisions.
2.1-457 Code of Virginia	Order transfer or sale of surplus supplies or equipment under certain conditions.
2.1-466 Code of Virginia	Instruct Division of Purchases and Supply to edit state agencies' annual reports, solely to condense the size of such reports.
2.1-488.4 (A and C) and 2.1-488.5 Code of Virginia	Approve and accept works of art and their location.
2.1-488.4 (B) Code of Virginia	Disapprove design in structure and fixtures placed on or extending over state property. (Delegation specifically does not extend to removal of structures.)

2.1-491 Code of Virginia	Approve buildings and property as to their conformance with approved site plan.
2.1-496 Code of Virginia	Approve purchase of furniture and repairs, including funding, required for certain buildings within master site plan of Capitol Square.
2.1-498 Code of Virginia	Designate buildings for contract of utility services.
2.1-503 Code of Virginia	Approve lease of state-owned property in the state site plan or lying near Capitol Square and prescribe rental period.
2.1-531 Code of Virginia	Approve use of state-owned property for parking.
3.1-22.8 Code of Virginia	Fix penalty for surety bonds required to be posted by certain officials of Chippokes Plantation Farm Foundation.
4-4 (D) Code of Virginia	Fix penalty and approve surety bonds for Alcoholic Beverage Control Board members.
5.1-1.3 Code of Virginia	Fix surety bond penalty for Director, Department of Aviation.
7.1-33 Code of Virginia	Regulate size and dimensions of state flag.
11-39 Code of Virginia	Provide written determination of public interest where federal grant transaction requirements do not conform to Virginia Public Procurement Act.
11-46.1 Code of Virginia	Establish written procedures for debarment under Virginia Public Procurement Act.
11-55 Code of Virginia	Approve modifications to fixed-price contracts under stated conditions. Revise restrictions, if necessary, on contract modifications.
15.1-374 Code of Virginia	Approve location and maintenance of sewerage and surface drainage on or through state property or property of Confederate Memorial Association.
15.1-1350 Code of Virginia	Fix penalty on surety bonds for members of Transportation District Commissions. Approve surety or guaranty company for such bonding.
18.2-139 Code of Virginia	Consent to cut down or otherwise destroy trees growing on Capitol grounds.
21-163 Code of Virginia	Fix surety bond penalties for members of sanitation district commissions and approve surety or guaranty company for such bonding.
22.1-133 Code of Virginia	Answer requests of school boards for a flag of the Commonwealth for each new public school.
23-19(a) and (d) Code of Virginia	Receive higher education institutions' proposals for capital projects for inclusion in the budget. Approve conditions of grants from federal government for capital projects (jointly with Department of Planning and Budget and State Council of Higher Education).
23-247 Code of Virginia	Fix penalty on corporate surety bonds for Board of Trustees, Science Museum of Virginia.
27-83	Receive notices of violations of

Governor

Code of Virginia	Virginia Public Building Safety Law occurring in government-owned or government-used buildings.	General Provisions	and compensation rules and regulations (for approval of the Governor).
28.1-7 Code of Virginia	Approve surety bond of Commissioner of Marine Resources.	4-6.01e, f, and h Appropriation Act General Provisions	Establish compensation and classification plans for approval of the Governor. Implement incentive award system payments adopted by Governor. Prepare for Governor's approval and implement plan for nonsalary payments for state employees absent due to sickness or accidental disability.
33.1-9 Code of Virginia	Fix surety bond penalty for State Highway and Transportation Board.		
36-111 Code of Virginia	Fix surety bond penalty for State Building Code Technical Review Board.		
37.1-44 Code of Virginia	Fix surety bond penalty for Commissioner of Mental Health and Mental Retardation.	4-6.02 Appropriation Act General Provisions	Issue rules and regulations for compensation of employee training and academic study.
42.1-16 Code of Virginia	Approve surety bond of State Librarian.	2.1-29 Code of Virginia	Establish office hours for executive department agencies at the seat of government.
42.1-86 Code of Virginia	As prescribed by State Library Board, provide place for safekeeping public records essential to government operations.	2.1-114.2:1 Code of Virginia	Establish rules to regulate athletic leaves of absence for state employees.
44-21 Code of Virginia	Approve surety bonds of Adjutant General and fiscal clerks in Department of Military Affairs.	2.1-116 (11) Code of Virginia	Exempt certain laborers and temporary and hourly employees from provisions of Virginia Personnel Act.
44-136 Code of Virginia	Authorize Adjutant General to lease vacant armories under specified conditions.	2.1-129 Code of Virginia	Approve compensation, as determined by Attorney General, for Division of War Veterans' Claims personnel.
46.1-24 Code of Virginia	Fix surety bond penalty for Commissioner of Motor Vehicles.	4-7 (I) Code of Virginia	Approve all salaries or remuneration of more than \$1,000 per year to Alcoholic Beverage Control employees.
52-3 Code of Virginia	Fix surety bond penalty for Superintendent of State Police.	10-11 Code of Virginia	Approve designation by Director, Department of Conservation and Historic Resources, of other state officers or officers in state-supported institutions as officers, agents, or employees of that Department.
53.1-11 Code of Virginia	Fix corporate surety bond penalty of Director, Department of Corrections		
54-1.34 Code of Virginia	Fix surety bond penalty for Director, Department of Commerce.	14.1-73.1:2 Code of Virginia	Provide Compensation Board with salary range for correctional officers and regulations for pay system for state employees administered by Department of Personnel and Training.
58.1-201 Code of Virginia	Fix surety bond penalty for State Tax Commissioner.	21-177 Code of Virginia	Approve salaries or remuneration of more than \$1,200 per year to agents or employees of sanitation district commissions.
58.1-212 Code of Virginia	Provide offices for State Tax Commissioner.	51-111.54 Code of Virginia	Retain certain employees 70 years of age or older as consultants and fix salaries.
60.1-32 Code of Virginia	Fix penalty for surety bond for Commissioner, Virginia Employment Commission and approve surety bonding company.		
63.1-6 Code of Virginia	Fix surety bond penalty for Commissioner of Social Services.		
63.1-19 Code of Virginia	Fix surety bond penalty for Board of Social Services.		

Part 2: Delegation of Authority to Officials Within the Office of Economic Development

A. To the Director, Department of Economic Development

Authorizing Item or Section	Subject Matter of Authority Delegated
4-5.06e Appropriation Act General Provisions	Approve motion picture, television, and radio services production.
42.1-32.6 Code of Virginia	Approve Library Board's plan for communications centers and networking services.
46.1-49 Code of Virginia	Approve use of non-public license plates by Division of Industrial Development.

B. To the Director, Department of Mines, Minerals, and Energy

Authorizing Item or Section	Subject Matter of Authority Delegated
45.1-382 Code of Virginia	Serve as assistant representative to Interstate Compact to Conserve Oil and Gas.

B. To the Director, Department of Information Technology.

Authorizing Item or Section	Subject Matter of Authority Delegated
4-5.06e Appropriation Act General Provisions	Approve motion picture, television, and radio services production.
42.1-32.6 Code of Virginia	Approve Library Board's plan for communications centers and networking services.

C. To the Director, Department of Personnel and Training

Authorizing Item or Section	Subject Matter of Authority Delegated
4-6.01a Appropriation Act	Prepare compensation plan for the Executive Department generally.

Part 3: Delegation of Authority to Officials Within the Office of Education

A. To the Superintendent of Public Instruction

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
23-38.62 Code of Virginia	Accredit vocational schools, if necessary, so students can qualify for loans from State Education Assistance Authority.

B. To the Director, State Council of Higher Education of Virginia

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
23-19 (a) and (d) Code of Virginia	Receive higher education institutions' proposals for capital projects for inclusion in the budget. Approve conditions of grants from federal government for capital projects (jointly with Departments of General Services and Planning and Budget).

Part 4: Delegation of Authority to Officials Within the Office of Finance

A. To the Director, Department of Planning and Budget

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
4-1.06a and b Appropriation Act General Provisions	Restore certain unexpended general and nongeneral fund appropriations for reappropriations (subject to policy guidance from Secretary of Finance).
4-2.01a and b Appropriation Act General Provisions	Issue written policies for agencies' solicitation and acceptance of donations, gifts, and grants under stated conditions. Approve acceptance of such funds in other cases. Use legislative appropriations to match federal aid programs for like purposes.
4-2.02a.2 Appropriation Act General Provisions	Transfer sums from sale of surplus property to the general fund.
4-5.6b (1)(b)(2) Appropriation Act General Provisions	Transfer funds in event of revised billing systems for computer resource center services.
4-5.07 Appropriation Act General Provisions	Direct nonstate agencies to be audited by or present audits acceptable to Auditor of Public Accounts.
4-6.03b Appropriation Act General Provisions	Prescribe rules and regulations for use of nongeneral fund balances in order to fund employee benefit expenses for employees supported in whole or in part by nongeneral funds.
4-7.01e Appropriation Act General Provisions	Administer plan to restrict manpower levels of programs. Review and analyze staffing requirements of all Executive Department agencies.
4-8.01a, b, c1, d2, e1 Appropriation Act General Provisions	Submit annual, semiannual and miscellaneous reports to House Appropriations and Senate Finance Committees.
2.1-224 Code of Virginia	Approve quarterly estimates of planned expenditures prior to release of appropriation.

2.1-373 (4)
Code of Virginia
Approve application for and/or expenditure of grants, gifts, or bequests by Department for the Aging.

2.1-402
Code of Virginia
Adopt budget classifications.

2.1-493
Code of Virginia
Approve transfer of funds to Department of General Services from appropriations to other agencies for construction, alteration, reconstruction, and repair of buildings or acquisition of land for their use.

9-95.3
Code of Virginia
Notify State Comptroller of availability of funds for expenditure by Virginia Korean-Vietnam War History Commission.

23-9.9
Code of Virginia
Receive biennial budget requests from higher education institutions and budget recommendations from State Council of Higher Education.

23-19(a) and (b)
Code of Virginia
Receive higher education institutions' proposals for capital projects for inclusion in the budget. Approve conditions of grants from federal government for capital projects (jointly with Department of General Services and State Council of Higher Education).

23-100.1
Code of Virginia
Approve, at request of Virginia Military Institute or its board, acceptance of gifts, grants, devises, and bequests.

23-218
Code of Virginia
Approve acceptance of grants or contributions of money or property by State Board for Community Colleges.

28.1-196
Code of Virginia
Approve solicitation, acceptance and use of public or private funds by Virginia Institute of Marine Science.

30-19.2
Code of Virginia
Arrange for inspection of state-supported physical facilities or, in lieu thereof, orientation sessions for General Assembly members and members-elect.

37.1-42.1
Code of Virginia
Approve Commissioner's acceptance, on behalf of Department of Mental Health and Mental Retardation, of donations, gifts, and bequests; and acceptance, execution, and administration of any trust in which the Department may have an interest.

42.1-57
Code of Virginia
Approve Library Board's acceptance of federal grants for libraries and allocation such funds.

46.1-167.6
Code of Virginia
Fix amount of expenditures by Department of Motor Vehicles from Uninsured Motorists Fund for administration of the fund.

53.1-10
Code of Virginia
Approve acceptance of gifts, donations and bequests on behalf of Department of Corrections.

60.1-89.1
Code of Virginia
Designate method of financing unemployment benefits for state employees.

83.1-36
Code of Virginia
Approve receipt of grants-in-aid funds and gifts by Department of Social Services to alleviate, treat or prevent poverty, delinquency or other social problems.

B. To the State Comptroller

Governor

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
4-1.06 Appropriation Act General Provisions	Revert certain unexpended general and nongeneral fund appropriations or reappropriations.
3.1-62 Code of Virginia	Examine records, books and accounts of produce market authorities.

C. To the State Treasurer

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
2.1-185 Code of Virginia	Invest funds deposited in state treasury in excess of amount currently needed.
10-101 Code of Virginia	Authorize Director, Department of Conservation and Historic Resources to issue revenue bonds for camping and recreational facilities.
10-110 Code of Virginia	Authorize Director, Department of Conservation and Historic Resources to issue revenue refunding bonds.
15.1-225 Code of Virginia	Investigate alleged defaults on local general obligation bonds. Withhold payment of state funds to local government in default and order payment to bond holders by State Comptroller.
21-200 and 21-280 Code of Virginia	Accept filing of instrument(s) from bondholders in cases of default on sanitation district commission bonds for tidal and/or nontidal waters in order to have trustee appointed to represent bondholders.
23-19 (h) Code of Virginia	Approve educational institutions' deposit of securities as collateral for federal loans for capital projects.
23-20 Code of Virginia	Receive bondholder certification of default on bonds issued by educational institutions.
55-186.2 Code of Virginia	Deliver executed grant for sale of escheatment to State Librarian.
55-187 Code of Virginia	Rescind escheat sales contract when payment is not timely.
62.1-209 B. (11) Code of Virginia	Accept petition from Virginia Resources Authority or trustees regarding default on local obligations owned by Authority or held by trustees.

Part 5: Delegation of Authority to Officials Within the Office of Human Resources

A. To the Commissioner, Department of Social Services

<u>Authority Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
63.1-44 Code of Virginia	Approve establishment of welfare districts consisting of two or more cities and/or counties.
63.1-56.1 Code of Virginia	Approve establishment of facilities for children (or contracts for services) by local boards of welfare.
63.1-292 Code of Virginia	Authorize up to five counties or cities to develop and implement pilot programs for delivery of human services.

63.1-294 Code of Virginia	Promulgate rules and regulations for counties and cities desiring to establish pilot programs for human services delivery.
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Part 6: Delegation of Authority to Officials within the Office of Natural Resources

A. To the Commissioner, Marine Resources Commission

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
28.1-203 Code of Virginia	Receive copy of annual budget of Potomac River Fisheries Commission and place funds in state budget for the Commission.

B. To the Director, State Water Control Board

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
21-179 Code of Virginia	Receive reports of sanitation district commissions.

C. To the Director, Department of Waste Management

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
10-274 Code of Virginia	Designate regional boundaries for solid waste management.

Part 7: Delegation of Authority to Officials Within the Office of Transportation and Public Safety

A. To the Adjutant General, Department of Military Affairs

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
44-43 Code of Virginia	Convene general courts-martial of the National Guard.
44-112 Code of Virginia	Make requisition of Secretary of Defense for federal funds to support the militia.
44-116 Code of Virginia	Have printed and distributed Code of Virginia copies of military laws of Virginia and Uniform Code of Military Justice of the United States, as deemed necessary.

B. To the Commissioner, Department of Highways and Transportation

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
2.1-48 Code of Virginia	Approve purchase of motor vehicles by state agencies.

C. To the Commissioner, Department of Motor Vehicles

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
2.1-51.6 Code of Virginia	Administer highway safety program.
46.1-137 Code of Virginia	Extend, at his discretion, reciprocal privileges to vehicle owners residing in other states or in foreign countries.

D. To the State Coordinator, Department of Emergency Services

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
44-146.27 Code of Virginia	Approve acceptance of services, supplies, materials, equipment, or funds from federal government or private sector to the state or through the state to any political subdivision, for emergency services purposes.

E. To the Superintendent, Department of State Police

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
52-16 Code of Virginia	Establish and maintain radio and teletype system to aid local law enforcement personnel and Department of State Police.
52-17 Code of Virginia	Negotiate with localities for sharing cost of communications system.
52-18 Code of Virginia	Designate districts for communications system.
52-19 Code of Virginia	Issue rules and regulations for communications system.

Part 8: Delegation of Authority to the Secretary of the Commonwealth

<u>Authorizing Item or Section</u>	<u>Subject Matter of Authority Delegated</u>
2.1-612 Code of Virginia	Prepare annually a list of officials and positions coming under Virginia Comprehensive Conflict of Interests Act. Notify officials of need to comply with the Act.

Should conflicts arise concerning any action authorized by this Executive Order, the matter shall be resolved by the Governor.

This Executive Order will become effective on its signing and will remain in full force and effect until June 30, 1990 unless amended or rescinded by further executive order.

Given under my hand and under the Seal of the Commonwealth of Virginia, at Richmond this 15th day of November, 1986.

/s/ Gerald L. Baliles
Governor

EXECUTIVE ORDER NUMBER THIRTY-ONE (86)

**COMMISSION ON MEDICAL CARE FACILITIES
CERTIFICATE OF PUBLIC NEED**

By virtue of the authority vested in me by Section 2.1-51.36 of the Code of Virginia, and subject to my continuing and ultimate authority and responsibility to act in such matters, I hereby create the Governor's

Commission on the Medical Care Facilities Certificate of Public Need Law.

The Commission is designated as an advisory commission, as defined in Section 9-6.25 of the Code of Virginia.

The Medical Care Facilities Certificate of Public Need law was enacted as an integral part of the Commonwealth's health planning for her citizens. Certificate of Public Need was one component of the national health planning and development program established by Public Law 93-641. Requiring proposed high-cost medical care services and facilities to first obtain a Certificate of Public Need was intended to ensure the orderly growth and development of a comprehensive health care system and avoidance of unnecessary duplication of medical services and facilities. It was intended to serve as a primary means to contain the cost of health care services.

Virginia's Medical Care Facilities Certificate of Public Need Law (Title 32.1, Chapter 4, Article 1.1 of the Code of Virginia) has been amended almost annually since its passage in 1973. However, the last review of the law's effectiveness in serving the public interest took place in 1979. Since then, economic competition in the health care industry has increased substantially and there have been significant changes in the way that medical services are delivered. It is time, therefore, for a thorough, objective analysis of the way in which the Certificate of Public Need program serves the public interest.

The Commission will have two specific responsibilities. First, it shall examine the effectiveness of the Certificate of Public Need program in controlling medical care costs while making good quality, accessible health care available to all Virginians. Second, if this examination demonstrates that the state's existing health planning process no longer effectively meets these objections, the Commission shall assess alternatives and recommend revisions to the existing Certificate of Public Need process. The Commission shall report to the Governor on each phase of its examination. The Commission's final report shall be provided no later than November 15, 1987.

To aid in their deliberations, the Commission shall consult with and consider the views of health care providers and others with an interest in the Certificate of Public Need program. To this end, the Commission shall establish formal liaisons with:

- ° Organizations representing physicians and other health care professionals;
- ° Organizations representing hospitals, nursing homes, and other types of health care facilities currently regulated by the Certificate of Public Need process;
- ° Organizations representing health insurers, health maintenance organizations, and other third-party

Governor

payors;

- Boards and councils which regulate or provide advice on medical facilities and services; and
- Other organizations identified by the Commission which have an interest in the orderly growth and development of the Commonwealth's health care system.

The Commission shall be composed of seventeen members appointed by the Governor and serving at his pleasure. The Governor shall appoint one member of the Commission as its chairman. Commission members shall include representatives of:

- State agencies involved in the delivery, financing and monitoring of medical services;
- The House of Delegates and the Senate of Virginia;
- Private employers with a demonstrated interest in promoting the quality of and controlling the cost of medical services for their employees; and
- The public at-large.

Members of the Commission shall serve without compensation and shall not receive any reimbursement for expenses incurred in the discharge of their duties.

Funds and staff support necessary for the conduct of the Commission's responsibilities during the term of its existence shall be provided by the Department of Health. The Department's expenditures for this purpose are estimated at \$50,000. An estimated 750 hours of staff support will be required to assist the Commission. Other state agencies shall cooperate with the Commission in the conduct of its responsibilities whenever requested to do so.

This Executive Order shall become effective upon its signing and shall remain in full force and effect for one year, unless amended or rescinded by further executive order.

Given under my hand and under the Seal of the Commonwealth of Virginia, at Richmond this 19th day of December, 1986.

/s/ Gerald L. Baliles
Governor

EXECUTIVE ORDER NUMBER THIRTY-TWO (86)

GOVERNOR'S CORPORATE ADVISORY COMMISSION ON EMPLOYERS' INITIATIVES FOR CHILD DAY CARE

By virtue of the authority vested in me as Governor by

Section 2.1-51.36 of the Code of Virginia, and subject to my continuing and ultimate authority and responsibility to act in such matters, I hereby establish the Governor's Corporate Advisory Commission on Employers' Initiatives for Child Day Care.

The Commission is classified as an advisory commission, as defined in Section 9-6.25 of the Code of Virginia.

The Commission shall be responsible for advising the Governor and the Department for Children on ways to increase worker productivity and enhance Virginia's efforts in economic development through attention to child care services.

The Commission shall advise the Governor and the Department for Children on the following matters:

1. Incentives to encourage commitments from corporations and large businesses to consider child care as an option for the employee benefits.
2. The development of a plan to engage employers in child care initiatives throughout the Commonwealth of Virginia.
3. The role of state government in promoting corporate involvement in the expansion and strengthening of quality child day care services.
4. The most appropriate ways to encourage private sector leadership in day care initiatives in local communities.

In examining these issues, the Commission shall consult with appropriate representatives of federal and state agencies and experts in the child care field.

The Commission shall consist of not more than fifteen members appointed by the Governor and serving at his pleasure. The membership of the Commission shall be representatives of corporations in the Commonwealth having fifty or more employees.

The Chairman shall be appointed by the Governor from the membership of the Commission.

A Chief Executive Officer of a corporation that has demonstrated commitment to corporate involvement in child day care will serve as chairman of the Commission. Vacancies in the membership of the Commission shall be filled by appointment by the Governor.

Members of the Commission will serve without compensation and will not receive reimbursement for expenses incurred in the discharge of their official duties.

Such staff support as is necessary for the conduct of the Commission's business during the term of its existence shall be furnished by the Department for Children. Such funding as is necessary for the term of the Commission's

existence shall be provided from funds appropriated to the Department for Children.

This Executive Order will become effective on December 24, 1986, and will remain in full force and effect until December 23, 1987, unless amended or rescinded by further executive order.

Given under my hand and under the Seal of the Commonwealth of Virginia this 22nd day of December, 1986.

/s/ Gerald L. Baliles
Governor

GOVERNOR'S COMMENTS ON PROPOSED REGULATIONS

(Required by § 9-6.12:9.1 of the Code of Virginia)

STATEWIDE HEALTH COORDINATING COUNCIL

Title of Regulation: VR 360-01-5. Standards for Evaluating Certificate of Public Need Applications to Establish or Expand Extracorporeal Shock Wave Lithotripsy Services (Virginia State Health Plan 1980-84).

Office of the Governor

June 10, 1987

Mr. Raymond O. Perry
Executive Director
Virginia Statewide Health Coordinating Council
1010 Madison Building
109 Governor Street
Richmond, Virginia 23219

I have reviewed the proposed amendment to the Virginia State Health Plan 1980-84, Standards for Evaluating Certificate of Public Need Applications to Establish or Expand Extracorporeal Shock Wave Lithotripsy Services (VR 360-01-05) under the procedures of Executive Order Number Five (86).

The proposed regulations are clearly intended to avoid an overabundance of lithotripsy service providers which would tend to increase the per-procedure cost of the service to patients. I am concerned, however, that these standards would expand the COPN process to include this service at a time when the Commission on Medical Care Facilities Certificate of Public Need is in the process of re-evaluating the effectiveness of the COPN system and procedures.

I would encourage the Council to examine the potential impact of the COPN Commission's deliberations on these

proposed standards prior to promulgating these regulations in final form. The Council may also wish to consider deferring action in this area until the Commission has made its final recommendations.

/s/ Gerald L. Baliles
Governor

DEPARTMENT OF HEALTH REGULATORY BOARDS

Title of Regulation: VR 255-01-1. Virginia State Board of Dentistry Regulations.

Office of the Governor

June 4, 1987

Mr. Bernard L. Henderson, Jr.
Director
Department of Health Regulatory Boards
1601 Rolling Hills Drive
Richmond, Virginia 23229-5005

I have reviewed the Virginia State Board of Dentistry Regulations (VR 255-01-1) under the provisions of Executive Order Number Five (86).

Most of the proposed provisions appear carefully drawn to facilitate the enforcement of standards of practice for Board licensees and to promote the public health and safety by ensuring the quality of care. I am deeply concerned, however, that the Board has chosen to designate a particular agency as the official testing agency for license applicants. This provision effectively prohibits the Board's consideration of other testing agencies which may provide a more thorough or more effective examination of an applicant's knowledge of dental procedures and relevant laws of the Commonwealth. I am also concerned that these provisions may violate the provisions of the Virginia Public Procurement Act.

Although I approve of most of the proposed regulatory provisions, I cannot approve the inclusion of those sections which require the Board to utilize the services of a specific organization to provide examinations for license applicants.

/s/ Gerald L. Baliles
Governor

DEPARTMENT OF REHABILITATIVE SERVICES

Title of Regulation: VR 595-01-1. Provision of Vocational Rehabilitation Services.

Office of the Governor

June 12, 1987

Governor

Mr. Altamont Dickerson, Jr.
Commissioner
Department of Rehabilitative Services
4901 Fitzhugh Avenue
Richmond, Virginia 23230

I have reviewed the regulations for Provision of Vocational Rehabilitation Services (VR 595-01-1) under the procedures of Executive Order Number Five (86).

The regulations appear carefully drawn to clarify the standards under which the Department will provide vocational rehabilitation services to its clients and to incorporate certain substantive changes which will allow the Department to serve its clients more effectively. Because of the positive impact and policy considerations addressed by these regulations, I have no objections to these proposals as presented.

/s/ Gerald L. Baliles
Governor

GENERAL NOTICES/ERRATA

Symbol Key †

† Indicates entries since last publication of the Virginia Register

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES (BOARD OF)

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Agriculture and Consumer Services intends to consider promulgating regulations entitled: **Rules and Regulations for the Enforcement of the Phosphate Cleaning Agents Law**. The purpose of the proposed regulation is to establish exceptions for cleaning agents containing phosphorus that the act creates a significant hardship on the user or where the act may be unreasonable because of the lack of an adequate substitute cleaning agent.

Statutory Authority: §§ 62.1-193.2 and 62.1-193.3 of the Code of Virginia.

Written comments may be submitted until July 10, 1987, to Raymond D. Vaughan, Secretary, Board of Agriculture and Consumer Services, P.O. Box 1163, 1100 Bank Street, Richmond, Virginia 23209.

Contact: C. Kermit Spruill, Director, Division of Dairy and Food, P.O. Box 1163, 1100 Bank St., Richmond, Va. 23209, telephone (804) 786-8899

DEPARTMENT OF CORRECTIONS (STATE BOARD OF)

† Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Corrections intends to consider amending regulations entitled: **(1) Guide for Minimum Standards in Planning, Design and Construction of Jail Facilities; (2) Guide for Minimum Requirements to Obtain State Board of Corrections' Approval for Financial Assistance and Method for Receiving Reimbursement**. These regulations set minimum standards for (i) the planning, design, and construction of jail facilities, and (ii) obtaining financial assistance for the construction, enlargement, or renovation of local jails.

Statutory Authority: § 53.1-5 of the Code of Virginia.

Written comments may be submitted until August 6, 1987.

Contact: Carroll E. Lillard, Committee Chairman, 4615 W. Broad St., Room 320, Richmond, Va. 23230, Attn: Vivian Toler, telephone (804) 257-6274

VIRGINIA FIRE SERVICES BOARD

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Virginia Fire Services Board and the Department of Fire Programs intends to consider amending regulations entitled: **Training Courses and Programs for Fire Marshals (Fire Investigators) and Their Assistants**.

The purpose of the proposed amendments is to amend the training courses and programs required for local fire marshals and their assistants.

Statutory Authority: §§ 9-155 and 27-34.2:1 of the Code of Virginia.

Written comments may be submitted until August 31, 1987, to Robert A. Williams, Department of Fire Programs, James Monroe Building, 101 North 14th Street, 17th Floor, Richmond, Virginia 23219.

Contact: Carl N. Cimino, Executive Director, James Monroe Bldg., 101 N. 14th St., 17th Fl., Richmond, Va. 23219, telephone (804) 225-2681

DEPARTMENT OF GENERAL SERVICES

† Notice of Intended Regulatory Action

Division of Consolidated Laboratory Services

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of General Services/Division of Consolidated Laboratory Services intends to consider amending regulations entitled: **Regulations for Approval of Independent Laboratories to Conduct Blood Alcohol Analysis in Driving Under Influence Cases**. The purpose of the proposed amendments is to revise criteria and procedures for licensure of independent laboratories to conduct blood alcohol analysis

General Notices/Errata

in driving under influence cases.

Statutory Authority: §§ 2.1-424 and 18.2-268(dl) of the Code of Virginia.

Written comments may be submitted until August 5, 1987, to Dr. Paul B. Ferrara.

Contact: Dr. James C. Valentour, Chief Toxicologist, 1 N. 14th St., Richmond, Va. 23219, telephone (804) 786-8747

† Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of General Services/Division of Consolidated Laboratory Services intends to consider promulgating regulations entitled: **Regulations for Approval of Independent Laboratories to Conduct Drugs in Blood Analysis in Driving Under Influence Cases.** The purpose of the proposed regulations is to establish criteria and procedures for licensure of independent laboratories to conduct drugs in blood analysis in driving under influence cases.

Statutory Authority: §§ 2.1-424 and 18.2-268(dl) of the Code of Virginia.

Written comments may be submitted until August 5, 1987, to Dr. Paul B. Ferrara.

Contact: Dr. James C. Valentour, Chief Toxicologist, 1 N. 14th St., Richmond, Va. 23219, telephone (804) 786-8747

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES (BOARD OF)

† Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Medical Assistance Services intends to consider promulgating regulations entitled: **Standards for Coverage of Organ Transplants.** The purpose of the proposed regulations is to establish standards for the coverage of organ transplantation procedures. Copy of the regulation is available from Victoria P. Simmons.

Statutory Authority: § 32.1-325 of the Code of Virginia.

Written comments may be submitted until September 4, 1987.

Contact: Stephen B. Riggs, D.D.S., Director, Division of Health Services Review, Department of Medical Assistance Services, 600 E. Broad St., Suite 1300, Richmond, Va. 23219, telephone (804) 786-3820

VIRGINIA BOARD OF OPTOMETRY

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Virginia Board of Optometry intends to consider amending regulations entitled: **Regulations of the Virginia Board of Optometry Regarding the Continuing Education Approval Fee Aspect.**

It is proposed to delete a single, minor requirement to the rules for a \$10 fee for review and approval of a continuing education course. Besides the fee all other aspects of the continuing education regulations are proposed to be retained unchanged.

Statutory Authority: § 54-376 of the Code of Virginia.

Written comments may be submitted until July 8, 1987.

Contact: Moira C. Lux, Executive Director, Virginia Board of Optometry, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9910

VIRGINIA BOARD OF PSYCHOLOGY

† Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Virginia Board of Psychology intends to consider promulgating regulations entitled: **VR 565-01-2. Supervision of Unlicensed Persons Practicing as Psychologists in Exempt Settings.** This regulation addresses the need for the supervision of unlicensed persons practicing as psychologists in exempt agencies and settings to ensure that these agencies are in compliance with § 54-944(d). Regulation VR 565-01-2 was promulgated as an emergency regulation effective July 1, 1986, to conform to legislation enacted by the 1986 General Assembly. The board has received suggestions for improvement of the regulation. This notice of intent is for the purpose of inviting comments from all relevant parties prior to promulgation under the standard provisions of the Administrative Process Act.

Statutory Authority: § 54-929 of the Code of Virginia.

Written comments may be submitted until September 7, 1987.

Contact: Stephanie A. Sivert, Executive Director, Board of Psychology, 1601 Rolling Hills Dr., Richmond, Va. 23229-5005, telephone (804) 662-9913

DEPARTMENT OF REHABILITATIVE SERVICES

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Virginia Department of Rehabilitative Services intends to consider promulgating regulations entitled: **Annual State Plan to comply with the Code of Federal Regulations, Parts 361, 365 and 370 "State Vocational Rehabilitation and Independent Living Rehabilitation Programs."** The purpose of the proposed regulations is to update the annual State Plan in compliance with the 1986 amendments to the Rehabilitation Act of 1973.

Statutory Authority: § 51.01-9 of the Code of Virginia.

Written comments may be submitted until September 6, 1987, to Charles H. Merritt, P. O. Box 11045, Richmond, Virginia 23230.

Contact: James L. Hunter, Agency Regulatory Coordinator, P. O. Box 11045, Richmond, Va. 23230, telephone (804) 257-6446 (toll-free 1-800-552-5019)

DEPARTMENT OF TAXATION

Notice of Intended Regulatory Action

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Taxation intends to consider amending regulations entitled: **VR 630-3-323. Excess Cost Recovery (Corporation Income Tax); VR 630-2-323. Excess Cost Recovery (Individual Income Tax).** The Virginia Tax Reform Act (HB 1119, Chapter 9) added § 58.1-323.1 which eliminates the excess cost recovery program over the five year period 1988-1992.

Statutory Authority: § 58.1-203 of the Code of Virginia.

Written comments may be submitted until July 24, 1987.

Contact: Danny M. Payne, Director, Tax Policy Division, P.O. Box 6-L, Richmond, Va. 23282, telephone (804) 257-8010

Notice of Intended Regulatory Action

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Taxation intends to consider amending regulations entitled: **VR 630-2-490.1. Definitions (Declaration of Estimated Income Tax By Individuals); VR 630-2-490.2. Declarations of Estimated Tax (Declaration of Estimated Income Tax By Individuals); VR 630-2-492. Failure By Individual to Pay Estimated Tax (Declaration of Estimated Income Tax By**

Individuals). These regulations are being amended to conform to the change made by the 1987 General Assembly to §§ 58.1-490 and 58.1-492 (Chapter 599, SB 421). These code sections were amended to increase the threshold for filing a declaration of estimated income tax and to increase the percentage of individual income tax that must be remitted by means of estimated and/or withholding payments for individuals from 80% to 90%.

Statutory Authority: § 58.1-203 of the Code of Virginia.

Written comments may be submitted until July 24, 1987.

Contact: Danny M. Payne, Director, Tax Policy Division, P.O. Box 6-L, Richmond, Va. 23282, telephone (804) 257-8010

Notice of Intended Regulatory Action

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Taxation intends to consider promulgating regulations entitled: **VR 630-5-490. Declaration and Payment of Estimated Tax by Estates and Trusts (Fiduciary Income Tax).** Senate Bill 554 (Chapter 484) amended §§ 58.1-490, 58.1-492 and 58.1-493 to require that estimated tax payments be made by all trusts and by every estate with respect to any taxable year ending two or more years after the date of death of the decedent.

Statutory Authority: § 58.1-203 of the Code of Virginia.

Written comments may be submitted until July 24, 1987.

Contact: Danny M. Payne, Director, Tax Policy Division, P.O. Box 6-L, Richmond, Va. 23282, telephone (804) 257-8010

COMMONWEALTH TRANSPORTATION BOARD

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Commonwealth Transportation Board intends to consider amending three separate sets of regulations now in use into a single regulation entitled: **Hazardous Materials Transportation Regulations at Tunnel, Ferry and Bridge Facilities Throughout the Commonwealth of Virginia.** The purpose of the proposed amendments is to provide new rules and regulations including operating requirements for the transportation of hazardous materials through tunnels, on bridges and on ferries in form and content consistent with the Commonwealth's regulations and in conformance with the federal Department of Transportation regulations, as identified in the Code of Federal Regulations (Title 49).

General Notices/Errata

Statutory Authority: §§ 33.1-12 and 33.1-13 of the Code of Virginia.

1163, Richmond, Virginia 23209.

Written comments may be submitted until July 13, 1987.

Contact: John I. Butner, Engineering Programs Supervisor, Department of Transportation, Traffic Engineering Division, 1401 E. Broad St., Richmond, Va. 23219, telephone (804) 786-2878

DEPARTMENT OF HEALTH

Notice to the Public

A new methodology for projecting nursing home bed need was adopted March 18, 1987, by the Virginia Statewide Health Coordinating Council and became effective June 1, 1987. As a result, certain information on pages 38, 56, and 57 of the 1987 State Medical Facilities Plan is no longer applicable. These pages, and Appendix D containing a detailed inventory of licensed or approved nursing home beds, have been revised and are available at a price of \$2.00 per set including postage. To place an order, send your name and address, plus a check in the proper amount payable to the Virginia Department of Health, Division of Health Planning, 1010 Madison Building, 109 Governor Street, Richmond, Virginia 23219.

GENERAL NOTICES

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

Legal Notice

Take notice that a referendum will be conducted by mail ballot among Virginia soybean producers regardless of age who sold soybeans during the past three years preceding September 9, 1987.

The purpose of this referendum is to allow Virginia farmers producing soybeans to vote on whether or not they are willing to access themselves in the amount and manner below stated. The assessment shall be used by the Virginia Soybean Board for research, education, publicity, and promotion of the sale and use of soybeans.

The assessment to be voted on is one cent per bushel when sold. The processor, dealer, shipper, exporter or any other business entity who purchases soybeans from the producer shall deduct the assessment from payments made to the producer for soybeans. The one cent levy thereon and shall be remitted to the Virginia State Tax Commissioner.

Producers must establish their eligibility to vote in this referendum by properly completing a certification form and returning the form to the Virginia Department of Agriculture and Consumer Services no later than July 31, 1987.

Eligible voters will be mailed a ballot and return envelope. Each eligible voter must return the ballot and ballot must be received by the Director, Division of Markets, Virginia Department of Agriculture and Consumer Services on or before 5 p.m. September 9, 1987.

Producers may obtain eligibility certification forms from the following sources: County Extension Agent Offices; Virginia Soybean Association, P. O. Box 319, Salisbury, Maryland 21801; Virginia Department of Agriculture and Consumer Services Office, Division of Markets, P. O. Box

NOTICES TO STATE AGENCIES

RE: Forms for filing material on dates for publication in the Virginia Register of Regulations.

All agencies are required to use the appropriate forms when furnishing material and dates for publication in the Virginia Register of Regulations. The forms are supplied by the office of the Registrar of Regulations. If you do not have any forms or you need additional forms, please contact: Ann M. Brown, Deputy Registrar of Regulations, Virginia Code Commission, P.O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

FORMS:

PROPOSED (Transmittal Sheet) - RR01
FINAL (Transmittal Sheet) - RR02
NOTICE OF MEETING - RR03
NOTICE OF INTENDED REGULATORY ACTION - RR04
NOTICE OF COMMENT PERIOD - RR05
AGENCY RESPONSE TO LEGISLATIVE OR GUBERNATORIAL OBJECTIONS - RR06

ERRATA

STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA

Title of Regulation: VR 380-02-1. Regulations Governing the Approval of Certain Institutions to Confer Degrees, Diplomas and Certificates.

Publication: VA.R. 3:19, pgs. 2069-2090, June 22, 1987

The correct language to the final regulation is underlined and should be as follows:

§ 1.1. Definitions.

“CIP code number” means the six-digit Classification of Instructional Programs number assigned to each discipline speciality.

“Degree program” means a curriculum or course of study that leads to a degree in a discipline speciality and normally is identified by a six-digit CIP code number.

§ 2.3. Institutions, programs, degrees, diplomas, and certificates exempt by council action.

A.3. Any postsecondary educational course or program of study offered by an institution of higher education at a United States military post or reservation when that course or program is open only to military personnel or civilians employed by that military post or reservation.

§ 4.2. Standards for institutional approval.

A.23.b. An institution that offers degree programs at the baccalaureate level or above shall have at least the minimum number of library volumes derived by the following formula:

§ 5.2. Application by a new institution for approval to confer degrees.

A.3.c. The institution, until such time as it receives approval from the council to confer degrees, will clearly state in all of its publications, promotional materials sent to prospective students, and enrollment agreements, as required by subsection C of § 1.3 of these regulations, that it is not approved by the council and will be able to confer degrees only if and when it receives appropriate approval from the council.

C.1. The institution must demonstrate in its application that it complies with all the requirements in subsection A of § 4.2 of these regulations.

§ 5.3. Application by an existing institution for approval to confer degrees at a new level or in a new program area.

B.1. The institution must demonstrate in its application that it complies with all of the requirements in subsection A of § 4.2 of these regulations.

§ 5.5. Application by an existing postsecondary school for approval to confer degrees.

A.3. Evidence that the school complies with all of the requirements in subsection A of § 4.2 of these regulations.

§ 5.8. Application for approval to operate at a new site.

B.1.b. Evidence that the institution complies with all of the requirements in subsection A of § 4.2 of these regulations.

CALENDAR OF EVENTS

Symbols Key	
†	Indicates entries since last publication of the Virginia Register
☒	Location accessible to handicapped
☎	Telecommunications Device for Deaf (TDD)/Voice Designation

NOTICE

Only those meetings which are filed with the Registrar of Regulations by the filing deadline noted at the beginning of this publication are listed. Since some meetings are called on short notice, please be aware that this listing of meetings may be incomplete. Also, all meetings are subject to cancellation and the Virginia Register deadline may preclude a notice of such cancellation.

For additional information on open meetings and public hearings held by the Standing Committees of the Legislature during the interim, please call Legislative Information at (804) 786-6539.

VIRGINIA CODE COMMISSION

EXECUTIVE

STATE BOARD OF ACCOUNTANCY

- † July 20, 1987 - 10 a.m. - Open Meeting
† July 21, 1987 - 8 a.m. - Open Meeting
Department of Commerce, 3600 West Broad Street, Richmond, Virginia. ☒

A meeting to (i) review applications for licensure and certification; (ii) review disciplinary cases, (iii) discuss correspondence items, and (iv) discuss new business.

Contact: Roberta L. Banning, Assistant Director, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 257-8505

DEPARTMENT FOR THE AGING

Long-Term Care Ombudsman Program Advisory Council

- July 16, 1987 - 9:30 a.m. - Open Meeting
James Monroe Building, 101 North 14th Street, Conference Room B, Richmond, Virginia. ☒

The council will discuss the work of Virginia's Long-Term Care Ombudsman Program and hear interim reports from various subcommittees.

Contact: Virginia Dize, Department for the Aging, 101 N.

14th St., 18th Floor, Richmond, Va. 23219-2797, telephone (804) 225-2271/3141

VIRGINIA AGRICULTURAL COUNCIL

- † August 24, 1987 - 9 a.m. - Open Meeting
Holiday Inn - Airport, 5203 Williamsburg Road, Sandston, Virginia

An annual meeting of the council to (i) hear any new project proposals which are properly supported by the Board of Directors of a commodity group; and (ii) discuss any other business that may come before the members of the council.

Contact: Henry H. Budd, Assistant Secretary, Washington Bldg., 1100 Bank St., Room 203, Richmond, Va. 23219, telephone (804) 786-2373

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES (BOARD OF)

- September 28, 1987 - 2 p.m. - Public Hearing
Washington Building, Board Room, 2nd Floor, 1100 Bank Street, Richmond, Virginia. ☒

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Agriculture and Consumer Services intends to adopt regulations entitled: **VR 115-02-15. Rules and Regulations for the Registration of Poultry Dealers.** The proposed regulations would require that poultry dealers doing business in Virginia keep records of their transactions as a means of tracing poultry disease to its source. They also would require that poultry dealers maintain a regimen of sanitation in their dealings.

Statutory Authority: §§ 3.1-726, 3.1-735 and 3.1-736 of the Code of Virginia.

Written comments may be submitted until June 30, 1987.

Contact: A. J. Roth, D.V.M., Chief, Bureau of Veterinary Services, Division of Animal Health, Virginia Department of Agriculture and Consumer Services, Suite 600, 1100 Bank St., Richmond, Va. 23219, telephone (804) 786-2483

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Calendar of Events

September 28, 1987 - 3 p.m. - Public Hearing
Washington Building, Board Room, 2nd Floor, 1100 Bank
Street, Richmond, Virginia. ☐

Notice is hereby given in accordance with § 9-6.14:7.1
of the Code of Virginia that the Department of
Agriculture and Consumer Services intends to amend
regulations entitled: VR 115-02-12. **Health
Requirements Governing the Admission of Livestock,
Poultry, Companion Animals and Other Animals or
Birds Into Virginia.** The proposed amendment to the
above-referenced regulation would set health
requirements for the admission of South American
camelids of the genus lama into Virginia.

Statutory Authority: § 3.1-726 of the Code of Virginia.

Written comments may be submitted until June 29, 1987.

Contact: A. J. Roth, D.V.M., Chief, Bureau of Veterinary
Services, Division of Animal Health, Virginia Department
of Agriculture and Consumer Services, Suite 600, 1100
Bank St., Richmond, Va. 23219, telephone (804) 786-2483

STATE AIR POLLUTION CONTROL BOARD

July 13, 1987 - 7:30 p.m. - Open Meeting
NOTE: CHANGE IN DATE OF MEETING
W.W. Robinson Elementary School, Gymnasium, 1231 Susan
Avenue, Woodstock, Virginia

Allow public comment on a request for a permit from
Mountain View Rendering Company to construct and
operate a rendering plant adjacent to the Rocco
Farms Foods, Inc., facility at Columbia Furnace in
Shenandoah County.

Contact: Mr. Lewis Baumann, Springfield Towers, Suite
502, 6320 Augusta Dr., Springfield, Va. 22150, telephone
(703) 644-0311

† July 20, 1987 - 10 a.m. - Open Meeting
City Hall, Council Chambers, Martinsville, Virginia. ☐

A meeting to allow public comment on a request for a
permit from Multitrade of Martinsville, Inc. to
construct and operate a 120 x 10 6 BTU/hr. input
coal/wood fired boiler adjacent to Lester Street in
Martinsville, Virginia.

Contact: Thomas L. Henderson, State Air Pollution Control
Board, 7701-03 Timberlake Rd., Lynchburg, Va. 24502,
telephone (804) 528-6641

July 27, 1987 - 9 a.m. - Open Meeting
General Assembly Building, Senate Room A, Richmond,
Virginia. ☐

This is a general meeting of the board.

Contact: Dick Stone, State Air Pollution Control Board, P.
O. Box 10089, Richmond, Virginia 23240, telephone (804)
786-5478

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July 29, 1987 - 10 a.m. - Public Hearing
Town of Abingdon Municipal Building, Council Chambers,
133 West Main Street, Abingdon, Virginia

July 29, 1987 - 10 a.m. - Public Hearing
West Central Regional Office, State Water Control Board,
Executive Office Park, 5312 Peters Creek Road, N.W.,
Roanoke, Virginia

July 29, 1987 - 10 a.m. - Public Hearing
Lynchburg Library, 2315 Memorial Avenue, Lynchburg,
Virginia

July 29, 1987 - 1 p.m. - Public Hearing
Chesterfield Public Library, 9501 Lori Road, Chesterfield,
Virginia

July 29, 1987 - 10 a.m. - Public Hearing
Hampton Roads Regional Office, State Air Pollution Control
Board, Old Greenbriar Village, Suite A, 2010 Old
Greenbriar Road, Chesapeake, Virginia

July 29, 1987 - 10 a.m. - Public Hearing
National Capital Regional Office, State Air Pollution
Control Board, Springfield Towers, Suite 502, 6320 Augusta
Drive, Springfield, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1
of the Code of Virginia and the requirements of §
110(a)(1) of the Federal Clean Air Act that the State
Air Pollution Board intends to amend regulations
entitled: VR 120-01. **Regulations for the Control and
Abatement of Air Pollution: Permits for New and
Modified Sources (Part VIII).** The regulations
establish limits for sources of air pollution to the
extent necessary to attain and maintain levels of air
quality as will protect human health and welfare.

Statutory Authority: § 10-17.18(b) of the Code of Virginia.

Written comments may be submitted until July 29, 1987.

Contact: Robert A. Mann, Director of Program
Development, State Air Pollution Control Board, P. O. Box
10089, Richmond, Va. 23240, telephone (804) 786-5789

ALCOHOLIC BEVERAGE CONTROL BOARD

July 14, 1987 - 9:30 a.m. - Open Meeting
July 28, 1987 - 9:30 a.m. - Open Meeting
2901 Hermitage Road, Richmond, Virginia. ☐

A meeting to receive and discuss reports on activities

Calendar of Events

from staff members. Other matters not yet determined.

Contact: Robert N. Swinson, 2901 Hermitage Road, P. O. Box 27491, Richmond, Virginia 23261, telephone (804) 257-0617

AUCTIONEERS BOARD

July 7, 1987 - 9 a.m. - Open Meeting
Department of Commerce, 3600 West Broad Street, Conference Room 1, Richmond, Virginia. ☐

An open board meeting to conduct (i) review of complaints; (ii) discussion of revenue and expenditures; (iii) regulatory review; and (iv) election of officers.

Contact: Mr. Geralde W. Morgan, Assistant Director, 3600 W. Broad St., 5th Floor, Richmond, Va. 23230-4917, telephone (804) 257-8508

August 4, 1987 - 10 a.m. - Open Meeting
August 5, 1987 - 10 a.m. - Open Meeting
August 6, 1987 - 10 a.m. - Open Meeting
Department of Commerce, 3600 West Broad Street, Conference Room 1, Richmond, Virginia. ☐

A meeting to conduct a formal administrative hearing regarding Virginia Auctioneers Board vs. Valentine Auction and Storage Company.

Contact: Sylvia W. Bryant, Hearings Coordinator, Department of Commerce, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 257-8524

VIRGINIA AVIATION BOARD

† August 19, 1987 - 10 a.m. - Open Meeting
† August 21, 1987 - 9 a.m. - Open Meeting
Jefferson Sheraton Hotel, Franklin and Adams Streets, Richmond, Virginia. ☐

A regular bimonthly meeting. This meeting is being held in conjunction with the 14th Annual Virginia Aviation Conference.

August 19, 1987 - Discussion of aviation matters

August 21, 1987 - Presentation of FY '88 Revised Airport Funding Criteria

14th Annual Virginia Aviation Conference

† August 19, 1987 - 9 a.m. - Open Meeting
† August 20, 1987 - 9 a.m. - Open Meeting

† August 21, 1987 - 9 a.m. - Open Meeting
Jefferson Sheraton Hotel, Franklin and Adams Streets, Richmond, Virginia. ☐

A conference to provide information of value to the Virginia aviation community.

Contact: Kenneth A. Rowe, 4508 S. Laburnum Avenue, P. O. Box 7716, Richmond, Va. 23231, telephone (804) 786-6284

STATE BUILDING CODE TECHNICAL REVIEW BOARD

July 17, 1987 - 10 a.m. - Open Meeting
August 21, 1987 - 10 a.m. - Open Meeting
Fourth Street State Office Building, 2nd Floor Conference Room, 205 North Fourth Street, Richmond, Virginia. ☐
(Interpreter for deaf provided if requested)

A meeting to consider requests for interpretation of the Virginia Uniform Statewide Building Code; to consider appeals from the rulings of local appeal boards regarding application of the Virginia Uniform Statewide Building Code, and to approve minutes of previous meeting.

Contact: Jack A. Proctor, 205 N. Fourth St., Richmond, Va. 23219, telephone (804) 786-4752

GOVERNOR'S CORPORATE ADVISORY COMMISSION ON EMPLOYERS' INITIATIVES FOR CHILD DAY CARE

† July 8, 1987 - 1:30 p.m. - Open Meeting
General Assembly, Capitol Square, House Appropriations Room, Richmond, Virginia. ☐

The commission will discuss issues regarding the work place and issues of public policy for child day care in the Commonwealth.

Contact: Martha Norris Gilbert, Director, Department for Children, 805 E. Broad St., Richmond, Va. 23219, telephone (804) 786-5991

DEPARTMENT FOR CHILDREN

Advisory Board

† July 16, 1987 - 10 a.m. - Open Meeting
Department for Children, 805 East Broad Street, Conference Room, Richmond, Virginia. ☐

A regular meeting of the board.

Calendar of Events

Contact: Martha Norris Gilbert, Director, Department for Children, 805 E. Broad St., Richmond, Va. 23219, telephone (804) 786-5991

COORDINATING COMMITTEE FOR INTERDEPARTMENTAL LICENSURE AND CERTIFICATION OF CHILDREN'S RESIDENTIAL FACILITIES

† July 10, 1987 - 8 a.m. - Open Meeting
Department of Corrections, 4615 West Broad Street, Third
Floor Board Room, Richmond, Virginia. ☐

A meeting to discuss the Automated Systems Project Report from the Department of Information Technology and the monitoring of facilities accredited by nationally recognized standards setting agencies.

Contact: John J. Allen, Jr., Coordinator, Office of the Coordinator, Interdepartmental Licensure and Certification, 8007 Discovery Dr., Richmond, Va. 23229, telephone (804) 281-9025

BOARD OF COMMERCE

† July 10, 1987 - 8:30 a.m. - Open Meeting
Boar's Head Inn, Charlottesville, Virginia. ☐

Board of Commerce Annual Retreat - The agenda will include discussion and progress reports on the four studies being conducted by the board: (i) Real Estate Appraiser, (ii) Interior Designers, (iii) Private Investigators, and (iv) Noncertified Public Accountants.

† July 16, 1987 - 1:30 p.m. - Public Hearing
The Massey Building, 4100 Chain Bridge Road, Board of Supervisors Room, Level A, Fairfax, Virginia. ☐

† July 17, 1987 - 10 a.m. - Public Hearing
James City Council Chambers, South Henry and Court Street, Williamsburg, Virginia. ☐

† July 21, 1987 - 10 a.m. - Public Hearing
Municipal Building, 215 Church Avenue, City Council Chambers, 4th Floor, Roanoke, Virginia. ☐

A subcommittee of the Board of Commerce will meet to conduct a public hearing concerning a study of several issues relating to the profession of public accountancy. The issues include (i) the need and desirability for additional regulation of accountants who are not certified public accountants, and (ii) the proper parties to be involved in rendering of review reports on financial statements, and (iii) the appropriateness of modifying the limitations on reference to accounting principles and standards in the amended Code of Virginia.

Contact: Catherine M. Walker, Policy Analyst/Public Information Officer, Department of Commerce, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 257-8564

VIRGINIA COMMUNITY COLLEGE SYSTEM

State Board for Community Colleges

† July 15, 1987 - 1 p.m. - Open Meeting
James Monroe Building, 101 North 14th Street, Board Room, 15th Floor, Richmond, Virginia. ☐

The board will meet for a working session; board committee meetings will follow the working session.

† July 16, 1987 - 9 a.m. - Open Meeting
James Monroe Building, 101 North 14th Street, Board Room, 15th Floor, Richmond, Virginia. ☐

The board meeting will be held at 9 a.m. The agenda is available.

Contact: Joy Graham, James Monroe Bldg., 101 N. 14th St., 15th Fl., Richmond, Va. 23219, telephone (804) 225-2126

DEPARTMENT OF CONSERVATION AND HISTORIC RESOURCES

Virginia Soil and Water Conservation Board

July 8, 1987 - 2 p.m. - Open Meeting
Blacksburg Marriott Inn, 900 Prices Fork Road, N.W., Blacksburg, Virginia. ☐

A regular bimonthly business meeting.

Contact: Donald L. Wells, 203 Governor St., Suite 206, Richmond, Va. 23219-2094, telephone (804) 786-2064

Staunton River Advisory Board

† July 7, 1987 - 7:30 p.m. - Open Meeting
Community Center, Main Street, Brookneal, Virginia

A business meeting of the advisory board to discuss matters pertaining to that section of the Staunton River.

Contact: Richard G. Gibbons, Division of Parks and Recreation, 1201 Washington Bldg., Richmond, Va. 23219, telephone (804) 786-4132

Calendar of Events

STATE BOARD OF CORRECTIONS

July 21, 1987 - 1 p.m. - Open Meeting
Omni Hotel, Norfolk, Virginia. ☐

August 12, 1987 - 10 a.m. - Open Meeting
September 16, 1987 - 10 a.m. - Open Meeting
Department of Corrections, 4615 West Broad Street,
Richmond, Virginia. ☐

A regular monthly meeting to consider such matters
as may be presented.

Contact: Vivian Toler, Secretary to the Board, 4615 W.
Broad St., P.O. Box 26963, Richmond, Va. 23261, telephone
(804) 257-6274

VIRGINIA BOARD OF COSMETOLOGY

July 30, 1987 - 10 a.m. - Open Meeting
Department of Commerce, 3600 West Broad Street,
Conference Room 1, Richmond, Virginia. ☐

A meeting to conduct a formal administrative hearing
regarding Virginia Board of Cosmetology vs. Flair
Beauty Institute No. 2.

Contact: Sylvia W. Bryant, Hearings Coordinator,
Department of Commerce, 3600 W. Broad St., Richmond,
Va. 23230, telephone (804) 257-8524

BOARD FOR RIGHTS OF THE DISABLED

July 29, 1987 - 10 a.m. - Public Hearing
James Monroe Building, 101 North 14th Street, 17th Floor,
Richmond, Virginia. ☐

Notice is hereby given in accordance with § 9-6.14:7.1
of the Code of Virginia that the Board for Rights of
the Disabled intends to adopt regulations entitled: **VR
602-01-1. Public Participation Guidelines.** These
guidelines will enable the board to carry out its
responsibility to promulgate regulations under §
51.01-40 of the Code of Virginia regarding
nondiscrimination under state grants and programs.
The board desires maximum public participation when
promulgating regulations.

Statutory Authority: § 9-6.14:7.1 of the Code of Virginia.

Written comments may be submitted until August 1, 1987.

Contact: Bryan K. Lacy, Systems Advocacy Attorney,
Department for Rights of the Disabled, 101 N. 14th St.,
17th Fl., Richmond, Va., telephone (804) 225-2042 (toll-free
1-800-552-3962)

STATE BOARD OF EDUCATION

July 23, 1987 - 9 a.m. - Open Meeting
July 24, 1987 - 9 a.m. - Open Meeting
James Monroe Building, 101 North 14th Street, Conference
Rooms C and D, 1st Floor, Richmond, Virginia. ☐

The Board of Education will hold its regularly
scheduled meeting. Business will be conducted
according to items listed on the agenda. The agenda is
available upon request. The public is reminded that
the Board of Vocational Education may convene, if
required.

Contact: Margaret N. Roberts, James Monroe Bldg., 101 N.
14th St., 25th Fl., Richmond, Va., telephone (804) 225-2540

VIRGINIA FIRE SERVICES BOARD

August 14, 1987 - 10 a.m. - Public Hearing
Holiday Inn, 1815 West Mercury Boulevard, Hampton,
Virginia

Notice is hereby given in accordance with § 9-6.14:7.1
of the Code of Virginia that the Virginia Fire Services
Board and the Department of Fire Programs intend to
adopt regulations entitled: **Regulations Establishing
Certification Standards for Fire Investigators.** These
regulations are standards to qualify fire investigators
as provided for in § 27-34.2:1 of the Code of Virginia.

Statutory Authority: § 9-155 of the Code of Virginia.

Written comments may be submitted until August 31, 1987.

Contact: Carl N. Cimino, Executive Director, Department
of Fire Programs, James Monroe Bldg., 101 N. 14th St.,
Richmond, Va. 23219, telephone (804) 225-2681

VIRGINIA BOARD OF FUNERAL DIRECTORS AND EMBALMERS

† **August 5, 1987 - 9 a.m. - Open Meeting**
Department of Health Regulatory Boards, 1601 Rolling
Hills Drive, Conference Room 1, Richmond, Virginia. ☐

Certifying candidates for the August 26, examination
and a general board meeting. The subject of
regulations may be discussed.

† **August 26, 1987 - 9 a.m. - Open Meeting**
Department of Health Regulatory Boards, 1601 Rolling
Hills Drive, Conference Room 1, Richmond, Virginia. ☐

Administering the Virginia State Board Examinations
and a general board meeting. The subject of
regulations may be discussed.

Calendar of Events

Contact: Mark L. Forberg, Executive Secretary, Virginia Board of Funeral Directors and Embalmers, 1601 Rolling Hills Dr., Richmond, Va. 23229-5005, telephone (804) 662-9907

Contact: Raymond O. Perry, M.P.H., Department of Health, 109 Governor St., Room 1010, Richmond, Va. 23219, telephone (804) 786-6970

DEPARTMENT OF GENERAL SERVICES

Art and Architectural Review Board

July 10, 1987 - 10 a.m. - Open Meeting
Virginia Museum of Fine Arts, Main Conference Room,
Richmond, Virginia. ☒

The board will advise the Director of the Department of General Services and the Governor on architecture of state facilities to be constructed and works of art to be accepted or acquired by the Commonwealth.

Contact: M. Stanley Krause, AIA, AICP, Rancorn, Wildman & Krause, Architects and City Planning Consultants, P. O. Box 1817, Newport News, Va. 23601, telephone (804) 867-8030

DEPARTMENT OF HEALTH (BOARD OF)

August 28, 1987 - 10 a.m. - Public Hearing
Henrico Government Center, Administration Building Board of Supervisors Room, Parham and Hungary Springs Road, Richmond, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Health intends to amend regulations entitled: **Rules and Regulations of the Board of Health Governing Restaurants.**

Statutory Authority: §§ 35.1-11 and 35.1-14 of the Code of Virginia.

Written comments may be submitted until August 28, 1987.

Contact: John E. Benko, M.P.H., Director, Bureau of Food and General Environmental Services, 109 Governor St., Room 500, Richmond, Va. 23219, telephone (804) 786-3559.

STATEWIDE HEALTH COORDINATING COUNCIL

† July 22, 1987 - 9 a.m. - Open Meeting
Jefferson Sheraton Hotel, Franklin and Adams Streets,
Richmond, Virginia. ☒

A regular business meeting to conduct regular business of the council.

COUNCIL ON HEALTH REGULATORY BOARDS

July 21, 1987 - 11 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Richmond, Virginia. ☒

A regular quarterly meeting of the council. Agenda items include review of the biennial budget request of the Department of Health Regulatory Boards, consideration of a plan for the evaluation of the health professional enforcement system and other matters. An agenda will be provided one week in advance of the meeting upon request.

Compliance and Discipline Committee

† July 8, 1987 - 10 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Richmond, Virginia. ☒

The committee will consider a workplan, timetable and budget for a planned evaluation of the health professional enforcement system operated by health regulatory boards and the Department of Health Regulatory Boards. It will also review and comment on the draft Adjudication Manual being prepared by staff.

Committee on Scopes and Standards of Practice

July 20, 1987 - 7:30 p.m. - Open Meeting
Embassy Suites Hotel, 2925 Emerywood Parkway,
Richmond, Virginia

July 21, 1987 - 9 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Richmond, Virginia. ☒

The committee will meet to continue its study of the need to regulate hypnosis/hypnotherapy in Virginia.

Contact: Richard D. Morrison, Executive Director, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9918

VIRGINIA HEALTH SERVICES COST REVIEW COUNCIL

July 22, 1987 - 9 a.m. - Open Meeting
Johnston-Willis Hospital, 1401 Johnston-Willis Drive,
Richmond, Virginia. ☒

Calendar of Events

A monthly meeting to address financial, policy or technical matters which may have arisen since the last meeting.

Contact: Ann Y. McGee, Director, 805 E. Broad St., 9th Fl., Richmond, Va., telephone (804) 786-6371

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

† July 17, 1987 – Written comments may be submitted until this date.

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Virginia Housing Development Authority intends to amend regulations entitled: **VR 400-01-0001. Rules and Regulations.** The amendments provide for a new method of calculating the income of an applicant for an authority single family mortgage loan after a certain date.

STATEMENT

Purpose: To provide a new method of calculating an applicant's income to permit the authority to ensure compliance with the Tax Reform Act of 1986.

Subject, substance and issues: Currently, applicants of authority single family mortgage loans must have income not in excess of limits expressed as dollar amounts of such applicant's "adjusted family income" and to make this determination each applicant's income is calculated as an "adjusted family income" figure. However, the Tax Reform Act of 1986 imposes new gross income limits on such applicants and requires that income be determined as a gross figure. In order to avoid duplication of methods of calculating income and the necessity of applying two different income limits to the two different determinations of income, the proposed regulation permits the authority to change its method of calculating income from one of determining adjusted gross income to one of determining gross income.

The authority's current Rules and Regulations authorize the Board of Commissioners of the authority to set income limits for all applicants of its single family mortgage loan program. It is intended that the new gross income limits will be set at levels which are higher than the current adjusted income levels by the average amount of adjustments which are now being subtracted from the applicants' income. By adding those adjustments back into the limits, the effect of the change of calculating income on the eligibility of applicants for an authority mortgage loan should be minimal. It is also intended that the new gross income limits will at all times be less than those imposed by the federal government to ensure that as long as an applicant satisfies the authority's applicable income limit, the applicable federal limit will be satisfied as well.

Impact: The authority expects that the proposed

amendments providing for the new gross income method of calculating income will have no effect on the number of units financed or the number of persons served under the authority's single family program.

The authority does not expect that any significant costs will be incurred for the implementation of and compliance with the proposed amendments.

Statutory Authority: § 36-55.30:3 of the Code of Virginia.

Written comments may be submitted until July 17, 1987.

Contact: J. Judson McKellar, Jr., General Counsel, 13 South 13th Street, Virginia Housing Development Authority, Richmond, Va. 23219, telephone (804) 782-1986

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† July 17, 1987 – Written comments may be submitted until this date.

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Virginia Housing Development Authority intends to amend regulations entitled: **VR 400-02-003. Procedures, Instructions and Guidelines for Single Family Mortgage Loans to Persons and Families of Low and Moderate Income.** The amendments to the proposed regulations change the method of calculating the income of an applicant for a single family mortgage loan from an adjusted gross income calculation to a gross income calculation.

STATEMENT

Purpose: To change the method of calculating an applicant's income, to adjust the income limits to neutralize the effect of the change in the method of calculation and to ensure compliance with the Tax Reform Act of 1986, to change certain of the sales price limits to comply with the Tax Reform Act of 1986 and to make certain other changes to set forth the authority's policy on assumptions, one person households, commitments, net worth requirements, reservation of funds and FHA and VA loan requirements.

Subject, substance and issues: Under the current provisions of the procedures, instructions and guidelines the maximum income limits for applicants of authority single family mortgage loans are expressed as dollar amounts of such applicant's "adjusted family income" and each applicant's income is calculated as an "adjusted family income" figure. However, the Tax Reform Act of 1986 imposes new gross income limits on such applicants and requires that income be determined as a gross figure. In order to avoid duplication of methods of calculating income and the necessity of applying two different income limits to the two different determinations of income, the proposed procedures, instructions and guidelines change the authority's method of determining adjusted gross income to one of determining gross income. In an attempt

Calendar of Events

to neutralize the effect of such change on an applicant's eligibility for single family mortgage loans, the authority's income limits have been adjusted in the proposed procedures, instructions and guidelines to counteract this change. In particular, the new proposed income limits were calculated by adding back to the current adjusted income limits the average amount of adjustments which, under the current adjusted income method of calculation, are subtracted from an applicant's gross income. In addition, all proposed income limits are below those imposed by the Tax Reform Act of 1986. Thus, as long as an applicant satisfies the authority's applicable proposed gross income limits, he also satisfies the applicable federal limit.

The Tax Reform Act also affected the permissible acquisition costs of single family homes that may be financed by the authority by reducing from 110% to 90% the percentage of the "safe harbor" sales price limitations published by the United States Department of Housing and Urban Development which apply to single family homes. Because in four cases the new reduced federal limits which resulted from this change were below the authority's sales price limits, the proposed procedures, instructions and guidelines have reduced the sales price limits in all four cases to below the federal limits. Thus, in all cases for sales prices as well as for income, if the authority's limits are met, so are the federal limits.

Other changes in the procedures, instructions and guidelines unrelated to the Tax Reform Act include: (i) the elimination of the restriction on the number of one-person households eligible for single family mortgage loans; (ii) the express provision for the assumption of all single family mortgage loans as long as certain conditions are met; in particular, that all applicable federal requirements be satisfied and, with the exception of FHA or VA loans, that the authority's underwriting criteria be satisfied (previously, assumptions had been permitted only of loans made with the proceeds of bonds issued after 1980; (iii) the simplification of the property-related underwriting requirements that single family homes must meet and the addition of a provision that manufactured housing will be financed if it is new construction, insured by FHA and meets certain other requirements; (iv) the provision of an exception to the general rule that a person may apply for no more than one commitment per year for the case when a loan could not close through no fault of the applicant; (v) the clarification of what assets are and are not to be included in the calculation of an applicant's net worth; in particular that downpayment funds need not be counted up to a maximum of 25% of the sales price; and (vi) the addition of a section to explain how the procedure for reserving funds for a mortgage loan works. Nonsubstantive changes were also made for the purpose of clarity and consistency.

Impact: The authority expects that the proposed amendments implementing the new gross income method of calculating income and the new gross income limits will have no effect on the number of units financed or the

number of persons served under the authority's single family program. It expects, however, that the four decreases in sales prices will reduce the number of units financed by approximately 150 and the number of persons served by the same amount. However, the authority expects that the change in the definition of net worth will enable the authority to provide mortgage loan financing to approximately 300 additional persons and families of low and moderate income who would not otherwise have been able to qualify for such financing. It does not expect any of the other changes to have any effect on the number of units financed or the number of persons served.

The authority does not expect that any significant costs will be incurred for the implementation of and compliance with the proposed amendments.

Statutory Authority: § 36-55.30:3 of the Code of Virginia.

Written comments may be submitted until July 17, 1987.

Contact: J. Judson McKellar, Jr., General Counsel, Virginia Housing Development Authority, 13 South 13th St., Richmond, Va. 23219, telephone (804) 782-1986

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† July 21, 1987 - 10 a.m. - Open Meeting
13 South 13th Street, Richmond, Virginia. ☒

The annual meeting of the Board of Commissioners of the Virginia Housing Development Authority to (i) review and, if appropriate, approve the minutes from the prior monthly meeting; (ii) consider for approval and ratification mortgage loan commitments under its various programs; (iii) review the authority's operations for the prior month; (iv) consider and, if appropriate, approve proposed amendments to the Rules and Regulations and the amendments to Procedures, Instructions and Guidelines for Single Family Mortgage Loans to Persons and Families of Low and Moderate Income; (v) hold elections for chairman and vice chairman of the Board of Commissioners; and (vi) consider such other matters and take such other actions as they may deem appropriate. The planned agenda of the meeting will be available at the offices of the authority one week prior to the date of the meeting.

Contact: J. Judson McKellar, Jr., General Counsel, 13 S. 13th St., Richmond, Va. 23219, telephone (804) 782-1986

BOARD OF HOUSING AND COMMUNITY DEVELOPMENT

July 20, 1987 - 10 a.m. - Public Hearing
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested) ☐

Calendar of Events

A public hearing to afford interested persons and groups an opportunity to submit data, views and arguments regarding the proposed adoption of:

1. A 1987 Edition of the Virginia Amusement Device Regulations.
2. A 1987 Edition of the Virginia Public Building Safety Regulations to amend and replace the 1984 edition.
3. A 1987 Edition of the Virginia Statewide Fire Prevention Code.
4. A 1987 Edition of the Virginia Industrialized Building and Mobile Home Safety Regulations to amend and replace the 1984 edition.
5. A 1987 Edition of the Virginia Liquefied Petroleum Gas Regulations to amend and replace the 1984 edition.
6. A 1987 Edition of the Virginia Certification of Tradesmen Standards to amend and replace the 1984 edition.
7. A 1987 Edition of the Virginia Uniform Statewide Building Code - Volume I - New Construction Code to amend and replace the 1984 edition.
8. A 1987 Edition of the Virginia Uniform Statewide Building Code - Volume II - Building Maintenance Code to amend and replace the 1984 edition.

Anyone wishing to speak or offer written statements relating to the proposed regulations will be given an opportunity to do so on the day of the hearing. Written statements may be prefiled with the agency if received by July 30, 1987.

Copies of the proposals may be obtained from the Division of Building Regulatory Services, Department of Housing and Community Development, 205 North Fourth Street, Richmond, Virginia 23219.

Contact: Jack A. Proctor, CPCA, Deputy Director, Division of Building Regulatory Services, Department of Housing and Community Development, 205 N. Fourth St., Richmond, Va. 23219-1747, telephone (804) 786-4751

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July 20, 1987 - 10 a.m. -- Public Hearing
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested) ☞

A hearing to provide a forum for public comment and testimony concerning the proposed Virginia Private Activity Bond Regulations. The regulations have been proposed pursuant to §§ 15.1-1399.10 through

15.1-1399.17 of the Code of Virginia to provide the policies and procedures for the allocation of tax exempt private activity bond authority in the Commonwealth.

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July 20, 1987 - 10 a.m. -- Public Hearing
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☒

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Board of Housing and Community Development intends to adopt regulations entitled: **Virginia Private Activity Bond Regulations**. The purpose of these regulations is to provide the policies and procedures of the Commonwealth for the allocation of private activity bond authority.

Statutory Authority: §§ 15.1-1399.15 and 15.1-1399.16 of the Code of Virginia.

Written comments may be submitted until August 10, 1987.

Contact: Paul J. Grasewicz, Associate Director, Department of Housing and Community Development, 205 N. Fourth St., Richmond, Va. 23219, telephone (804) 786-7893

July 20, 1987 - 1 p.m. -- Open Meeting
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested) ☞

The board's regular formal business meeting to (i) review and approve the minutes from the prior meeting; (ii) provide an opportunity for public comments; (iii) review the report of the director on the operation of the Department of Housing and Community Development since the last board meeting; (iv) hear reports of the committees of the board; and (v) consider other matters as deemed necessary. The planned agenda of the meeting will be available at the following address one week prior to the date of the meeting.

Contact: Neal J. Barber, 205 North Fourth Street, 7th Fl., Richmond, Va. 23219, telephone (804) 786-1575

VIRGINIA INNOVATIVE TECHNOLOGY AUTHORITY

† **July 21, 1987 - 10 a.m. -- Open Meeting**
CIT Offices, Hallmark Building, 13873 Park Center Road, Suite 201, Herndon, Virginia

An annual meeting.

Contact: Lee Ann Fox, Center for Innovative Technology, Hallmark Bldg., 13873 Park Center Rd., Suite 201, Herndon, Va. 22071, telephone (703) 689-3010

DEPARTMENT OF LABOR AND INDUSTRY

Apprenticeship Council

† August 6, 1987 - 9 a.m. - Open Meeting
General Assembly Building, Capitol Square, House Room C,
Richmond, Virginia. ☐

A regular quarterly meeting. Public session begins at 9
a.m. and council meeting at 10 a.m.

Contact: Robert S. Baumgardner, Director of
Apprenticeship, Department of Labor and Industry, P. O.
Box 12064, Richmond, Va. 23241, telephone (804) 786-2381

COMMISSION ON LOCAL GOVERNMENT

† July 28, 1987 - 10 a.m. - Open Meeting
Ninth Street Office Building, Ninth and Grace Streets,
Room 901, Richmond, Virginia. ☐

A regular meeting of the Commission on Local
Government to consider such matters as may be
presented.

Contact: Barbara W. Bingham, Ninth Street Office Bldg.,
Room 901, Richmond, Va. 23219, telephone (804) 786-6508

LONG-TERM COUNCIL

† August 13, 1987 - 9:30 a.m. - Open Meeting
Ninth Street Office Building, Ninth and Grace Streets,
Cabinet Conference Room, Richmond, Virginia. ☐

The council will discuss issues relating to the
development and coordination of long-term care
services in Virginia.

Contact: Catherine P. Saunders, Department for the Aging,
101 N. 14th St., 18th Fl., Richmond, Va. 23219, telephone
(804) 225-2271/2912

LONGWOOD COLLEGE

Board of Visitors

July 16, 1987 - 10 a.m. - Open Meeting
July 17, 1987 - 3 p.m. - Open Meeting
Longwood College, Virginia Room, Farmville, Virginia. ☐

Annual meeting of the governing board of the
institution.

Contact: Janet D. Greenwood, President, Longwood College,
Farmville, Va. 23901, telephone (804) 392-9211 (SCATS
265-4211)

MARINE RESOURCES COMMISSION

July 7, 1987 - 9:30 a.m. - Open Meeting
Newport News City Council Chambers, 2400 Washington
Avenue, Newport News, Virginia. ☐

The Marine Resources Commission meets on the first
Tuesday of each month, at 9:30 a.m. in Newport News
City Council Chambers, located at 2400 Washington
Avenue, Newport News, Virginia. It hears and decides
cases on fishing licensing; oyster ground leasing;
environmental permits in wetlands, bottomlands,
coastal sand dunes and beaches. It hears and decides
appeals made on local wetlands board decisions.

Fishery management and conservation measures are
discussed by the commission. The commission is
empowered to exercise general regulatory power
within 15 days, and is empowered to take specialized
marine life harvesting and conservation measures
within five days.

Contact: Patricia A. Leonard, Acting Secretary to the
Commission, 2401 West Ave., P.O. Box 756, Newport News,
Va. 23607-0756, telephone (804) 247-2206

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES
(BOARD OF)

June 8 - July 7, 1987 - Public comment period

Notice is hereby given in accordance with § 9-6.14:7.1
of the Code of Virginia that the Department of
Medical Assistance Services intends to amend The
State Plan for Medical Assistance with regard to
Return on Equity Capital. These amendments will
disallow, as a reimbursable cost, equity capital for
proprietary hospitals and nursing homes.

Statutory Authority: § 32.1-325 of the Code of Virginia.

Written comment may be submitted until July 7, 1987.

Contact: Stanley Fields, Director, Division of Provider
Reimbursement, Department of Medical Assistance
Services, 600 E. Broad St., Suite 1300, Richmond, Va.
23219, telephone (804) 786-7931

* * * * *

† September 4, 1987 - Written comments may be
submitted until this date.

Calendar of Events

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Medical Assistance Services intends to adopt regulations entitled: **Standards for Coverage of Organ Transplant Services: State Plan for Medical Assistance**. These regulations establish the criteria by which requests for organ transplants will be evaluated for prior authorization. A copy of the regulation is available from Victoria Simmons at 786-7933.

STATEMENT

Basis and authority: The Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA or Public Law 99-272) in § 9507 required the states to file their standards for organ transplant coverage in their plans to continue to receive Federal Financial Participation (FFP) for that covered service. This provision took effect, by law, January 1, 1987.

Section 32.1-325 gives the Board of Medical Assistance Services the authority to prepare and amend the State Plan for Medical Assistance, subject to the Governor's approval. The Administrative Process Act of the Code of Virginia exempts this department's regulatory actions from public comment when the action has been required by federal statutory or regulatory changes or state statutory changes. At the time the department developed its plan language, which received board approval on November 18, 1986, it was believed that only the addition to the plan's section on the amount, duration and scope of services was adequate to satisfy the federal law. Information now being required by HCFA, during the organ transplant amendment review process, is subject to the APA comment requirements. Therefore, the department obtained a secretarial waiver of the public comment requirements (§ 9-6.14:7.1 D of the Code of Virginia) to file the additionally required information in a timely manner.

Purpose: The purpose of this plan amendment is to adopt language already approved on November 18, 1986, as well as to adopt the HCFA required Standards for Coverage section.

Summary and analysis: The current State Plan does not specifically delineate what transplant services will be considered for coverage and reimbursement. Transplants for corneas and kidneys and liver transplants for recipients under age 18 for extrahepatic biliary atresia are proposed to be covered.

Forms: No new forms will be required of providers or recipients as a result of this plan amendment.

Evaluation: The Department of Medical Assistance Services will include this policy in its ongoing monitoring efforts which assure appropriate utilization of medically necessary services.

Statutory Authority: § 32.1-325 of the Code of Virginia.

Written comments may be submitted until September 4, 1987.

Contact: Stephen B. Riggs, D.D.S., Director, Division of Health Services Review, Department of Medical Assistance Services, 600 E. Broad St., Suite 1300, Richmond, Va. 23219, telephone (804) 786-3820

COMMISSION ON MEDICAL CARE FACILITIES CERTIFICATE OF PUBLIC NEED

July 13, 1987 - 10 a.m. – Open Meeting
James Monroe Building, 101 North 14th Street, Conference Room B, Richmond, Virginia. ☒

By Executive Order 31 (86) Governor Baliles created an advisory commission with two responsibilities: (i) to examine the effectiveness of the Certificate of Public Need program in controlling medical care costs while making good quality, accessible health care available to all Virginians; and (ii) if this examination demonstrates that the Commonwealth's existing health planning process no longer effectively meets these objectives, the commission shall assess alternatives and recommend revisions to the existing Certificate of Public Need process.

† **July 14, 1987 - 2 p.m. – Public Hearing**
Lewis Gale Medical Foundation, 1802 Braeburn Drive, Salem, Virginia. ☒

† **July 15, 1987 - 2 p.m. – Public Hearing**
Virginia Highlands Community College, State Route 372, Room 220, Abingdon, Virginia. ☒

† **July 29, 1987 - 2 p.m. – Public Hearing**
James Madison University, Warren Campus Center, Room D, Harrisonburg, Virginia. ☒

† **August 3, 1987 - 2 p.m. – Public Hearing**
Department of Human Resources, 1800 North Edison, Auditorium, Arlington, Virginia. ☒

† **August 4, 1987 - 2 p.m. – Public Hearing**
Department of Health, Auditorium, 401 Colley Avenue, Norfolk, Virginia. ☒

† **August 6, 1987 - 2 p.m. – Public Hearing**
James Madison Building, 109 Governor Street, Main Floor Conference Room, Richmond, Virginia. ☒

The purpose of the hearing is to collect public testimony concerning the effectiveness of the Certificate of Need Law, which regulates the development of medical facilities throughout the Commonwealth. Currently, a certificate must be obtained from the Commissioner of Health prior to construction of hospitals, nursing homes and certain other medical services facilities.

† August 10, 1987 - 10 a.m. - Open Meeting
† September 14, 1987 - 10 a.m. Open Meeting
James Monroe Building, 101 North 14th Street, Conference Room D & E, Richmond, Virginia. ☐

By Executive Order 31 (86) Governor Baliles created an advisory commission with two responsibilities: (i) to examine the effectiveness of the Certificate of Public Need program in controlling medical care costs while making good quality, accessible health care available to all Virginians; and (ii) if this examination demonstrates that the Commonwealth's existing health planning process no longer effectively meets these objectives, the commission shall assess alternatives and recommend revisions to the existing Certificate of Public Need process.

Contact: E. George Stone, State Health Department, James Madison Bldg., 109 Governor St., Room 1010, Richmond, Va. 23219, telephone (804) 786-6970

VIRGINIA STATE BOARD OF MEDICINE

July 23, 1987 - 8 a.m. - Open Meeting
July 24, 1987 - 8 a.m. - Open Meeting
July 25, 1987 - 8 a.m. - Open Meeting
July 26, 1987 - 8 a.m. - Open Meeting
Pavilion Tower Hotel, 1900 Pavilion Drive, Conference Center, Virginia Beach, Virginia. ☐

The board will meet to review reports, interview licensees and make decisions on discipline matters. At 8 a.m. on Sunday, July 26, 1987, the full board will meet in open session to conduct general board business and discuss any other items which may come before the board.

Advisory Board on Physical Therapy

July 24, 1987 - 8 a.m. - Open Meeting
July 25, 1987 - 8 a.m. - Open Meeting
Pavilion Tower Hotel, 1900 Pavilion Drive, Conference Center, Virginia Beach, Virginia. ☐

A meeting to conduct general board business and respond to correspondence. There will be a two day work session for the board to review applications for licensure, regulations for foreign trained physical therapy graduates and the quiz regarding the Code and regulations for physical therapy. They will also discuss any other items which may come before the advisory board.

Informal Conference Committee

† July 17, 1987 - 12:30 p.m. - Open Meeting
Department of Health Regulatory Boards, Surry Building,

Board Room No. 1, 1601 Rolling Hills Drive, Richmond, Virginia. ☐

August 21, 1987 - 12:30 p.m. - Open Meeting
Department of Health Regulatory Boards, Surry Building, Board Room No. 2, 1601 Rolling Hills Drive, Richmond, Virginia. ☐

A meeting to inquire into allegations that certain practitioners may have violated laws and regulations governing the practice of medicine in Virginia. The committee will meet in open and closed sessions pursuant to § 2.1-344 of the Code of Virginia.

Legislative Committee

† July 23, 1987 - 4:30 p.m. - Open Meeting
Pavilion Tower Hotel and Conference Center, 1900 Pavilion Drive, Virginia Beach, Virginia. ☐

The Legislative Committee will meet to discuss and act upon amendments to the Code relating to the healing arts regarding: (i) amendments to § 54-317 (12) of the Code of Virginia relating to eyeglasses, medical appliances, and devices; (ii) amendments to §§ 54-281.10 through 54-281.13 of the Code of Virginia regarding licensure for respiratory therapy practitioners; (iii) amendments to § 54-276.4 of the Code of Virginia regarding chiropractic employees; (iv) applications form for renewal of license to practice the healing arts; and (v) any other items which may come before the committee.

Contact: Eugenia K. Dorson, Board Administrator, 1601 Rolling Hills Dr., Surry Bldg., 2nd Fl., Richmond, Va. 23229-5005, telephone (804) 662-9925

STATE MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES BOARD

July 14, 1987 - 1 p.m. & 7 p.m. - Public Hearing
W. T. Woodson High School, 9525 Main Street, Auditorium, Fairfax, Virginia

July 14, 1987 - 1 p.m. & 7 p.m. - Public Hearing
Olin Theater on the grounds of Roanoke College, Center for Community Education and Special Events, Salem, Virginia

July 14, 1987 - 1 p.m. & 7 p.m. - Public Hearing
Scope, Exhibition Hall, 201 Brambleton Avenue, Norfolk, Virginia

July 14, 1987 - 1 p.m. - Public Hearing
Albemarle County Office Building, 401 McIntire Road, Charlottesville, Virginia

July 14, 1987 - 7 p.m. - Public Hearing

Calendar of Events

James Madison University, Chandler Hall, Harrisonburg, Virginia

July 15, 1987 - 1 p.m. & 7 p.m. - Public Hearing
Arthur Ashe Center, Richmond, Virginia

July 15, 1987 - 1 p.m. & 7 p.m. - Public Hearing
Hampton University, Ogden Hall, Hampton, Virginia

July 15, 1987 - 1 p.m. & 7 p.m. - Public Hearing
Averett College, Dining Room, Danville, Virginia

July 15, 1987 - noon - Public Hearing
Ramada Inn, U.S. 58, 421 West, Duffield, Virginia

July 15, 1987 - 6 p.m. - Public Hearing
Virginia Highlands Community College, Abingdon, Virginia

Regional public hearings on the Department of Mental Health, Mental Retardation and Substance Abuse Services Comprehensive Plan, 1988-1994 and the Action Plan to Meet Housing Needs of Mentally Disabled Citizens Through the End of the Century (HJR 287, 1987)

Contact: Charline Davidson, Department of Mental Health, Mental Retardation and Substance Abuse Services, P. O. Box 1797, Richmond, Va., telephone (804) 786-3904

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July 21, 1987 - 10 a.m. - Public Hearing
James Monroe Building, Conference Room E, 101 North 14th Street, Richmond, Virginia. ☐

July 28, 1987 - 10 a.m. - Public Hearing
Roanoke City Hall, Municipal Building, Room 450, 215 Church Avenue, S.W., Roanoke, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Mental Health, Mental Retardation and Substance Abuse Services intends to repeal existing regulations and adopt new regulations entitled: **VR 470-02-09. Rules and Regulations for the Licensure of Outpatient Facilities.** The proposed regulations will establish the minimum requirements for the licensure of outpatient facilities.

Statutory Authority: §§ 37.1-10 and 37.1-179 of the Code of Virginia.

Written comments may be submitted until July 31, 1987.

Contact: Barry P. Craig, Director of Licensure, Department of Mental Health, Mental Retardation and Substance Abuse Services, P.O. Box 1797, Richmond, Va. 23214, telephone (804) 786-3472

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July 21, 1987 - 10 a.m. - Public Hearing
James Monroe Building, Conference Room E, 101 North 14th Street, Richmond, Virginia. ☐

July 28, 1987 - 10 a.m. - Open Meeting
Roanoke City Hall, Municipal Building, Room 450, 215 Church Avenue, S.W., Roanoke, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Mental Health, Mental Retardation and Substance Abuse Services intends to repeal existing regulations and adopt new regulations entitled: **VR 470-02-11. Rules and Regulations for the Licensure of Residential Facilities.** The proposed regulations will establish the minimum requirements for the licensure of residential facilities.

Statutory Authority: §§ 37.1-10 and 37.1-179 of the Code of Virginia.

Written comments may be submitted until July 31, 1987.

Contact: Barry P. Craig, Director of Licensure, Department of Mental Health, Mental Retardation and Substance Abuse Services, P.O. Box 1797, Richmond, Va. 23214, telephone (804) 786-3472

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NOTICE: The State Mental Health, Mental Retardation and Substance Abuse Services Board proposes to REPEAL the two regulations listed below:

July 21, 1987 - 10 a.m. - Public Hearing
James Monroe Building, 101 North 14th Street, Conference Room E, Richmond, Virginia

July 28, 1987 - 1 p.m. - Public Hearing
Roanoke City Hall, Municipal Building, 215 Church Avenue, S.W., Room 450, Roanoke, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Mental Health, Mental Retardation and Substance Abuse Services intends to repeal existing regulations entitled: **VR 470-02-04. Rules and Regulations for the Licensure of Group Homes and Halfway Houses.**

Statutory Authority: §§ 37.1-10 and 37.1-179 of the Code of Virginia.

Written comments may be submitted until July 31, 1987.

Contact: Barry P. Craig, Director of Licensure, Department of Mental Health, Mental Retardation and Substance Abuse Services, P. O. Box 1797, Richmond, Va. 23214, telephone (804) 786-3472

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Calendar of Events

July 21, 1987 - 10 a.m. - Public Hearing
James Monroe Building, 101 North 14th Street, Conference Room E, Richmond, Virginia

July 28, 1987 - 10 a.m. - Public Hearing
Roanoke City Hall, Municipal Building, 215 Church Avenue, S.W., Room 450, Roanoke, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Mental Health, Mental Retardation and Substance Abuse Services intends to repeal regulations entitled: **VR 470-02-05. Rules and Regulations for the Licensure of Substance Abuse Treatment and Rehabilitation Facilities.**

Statutory Authority: §§ 37.1-10 and 37.1-179 of the Code of Virginia.

Written comments may be submitted until July 31, 1987.

Contact: Barry P. Craig, Director of Licensure, Department of Mental Health, Mental Retardation and Substance Abuse Services, P. O. Box 1797, Richmond, Va. 23214, telephone (804) 786-3472

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July 21, 1987 - 10 a.m. - Public Hearing
James Monroe Building, 101 North 14th Street, Conference Room E, Richmond, Virginia

July 28, 1987 - 10 a.m. - Public Hearing
Roanoke City Hall, Municipal Building, 215 Church Avenue, S.W., Room 450, Roanoke, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Mental Health, Mental Retardation and Substance Abuse Services intends to adopt regulations entitled: **VR 470-02-08. Rules and Regulations for the Licensure of Supported Residential Programs and Residential Respite Care/Emergency Shelter Facilities.** The proposed action establishes minimum requirements for the licensure of supported residential programs and residential respite care/emergency shelter facilities.

Statutory Authority: §§ 37.1-10 and 37.1-179 of the Code of Virginia.

Written comments may be submitted until July 31, 1987.

Contact: Barry P. Craig, Director of Licensure, Department of Mental Health, Mental Retardation and Substance Abuse Services, P. O. Box 1797, Richmond, Va. 23214, telephone (804) 786-3472

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July 21, 1987 - 10 a.m. - Public Hearing
James Monroe Building, 101 North 14th Street, Conference

Room E, Richmond, Virginia

July 28, 1987 - 10 a.m. - Public Hearing
Roanoke City Hall, Municipal Building, 215 Church Avenue, S.W., Room 450, Roanoke, Virginia

Notice is hereby give in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Mental Health, Mental Retardation and Substance Abuse Services intends to adopt regulations entitled: **VR 470-02-10. Rules and Regulations for the Licensure of Day Support Programs.** These regulations propose minimum requirements for the licensure of day support programs.

Statutory Authority: §§ 37.1-10 and 37.1-179 of the Code of Virginia.

Written comments may be submitted until July 31, 1987.

Contact: Barry P. Craig, Director of Licensure, Department of Mental Health, Mental Retardation and Substance Abuse Services, P. O. Box 1797, Richmond, Va. 23214, telephone (804) 786-3472

NORFOLK STATE UNIVERSITY

Board of Visitors

† **September 8, 1987 - 10 a.m. - Open Meeting**
Harrison B. Wilson Administration Building, Board Room, Norfolk, Virginia

A meeting to discuss various issues pertaining to the university. The agenda should be available at least five working days prior to the meeting.

Contact: Gerald D. Tyler, Norfolk State University, 2401 Corprew Ave., Wilson Hall-S340, Norfolk, Va. 23504, telephone (804) 623-8373

VIRGINIA STATE BOARD OF NURSING

July 7, 1987 - 9:30 a.m. - Public Hearing
City Hall, Council's Chambers, 441 Market Street, Suffolk, Virginia. ☒

A formal hearing on Anita A. Perry, R.N., will be held to inquire into allegations that certain laws and regulations governing the practice of nursing in Virginia may have been violated.

July 9, 1987 - 9:30 a.m. - Public Hearing
Springfield Hilton, Room 220, 6550 Loisdale Road, Springfield, Virginia. ☒

Calendar of Events

Formal Hearings will be held to inquire into allegations that certain laws and regulations governing the practice of nursing in Virginia may have been violated, on: Marcel F. Taylor, R.N. at 9:30 a.m. and Mary L. Kernan, R.N., at 1 p.m.

Informal Conference Committee

† August 11, 1987 - 8:30 a.m. — Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Conference Room 2, Richmond, Virginia. ☒
(Interpreter for deaf provided if requested) ☎

A meeting to inquire into allegations that certain licensees may have violated laws and regulations governing the practice of nursing in Virginia.

Contact: Corinne F. Dorsey, R.N., Executive Director, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9909

VIRGINIA BOARD OF OPTOMETRY

July 13, 1987 - 8 a.m. — Open Meeting
Egyptian Building, 1223 East Marshall Street, Baruch Auditorium, Richmond, Virginia

Administer the Virginia Practical Examination and Diagnostic Pharmaceutical Agents Examination.

July 14, 1987 - 9 a.m. — Open Meeting
July 15, 1987 - 9 a.m. — Open Meeting
Koger Center, 1601 Rolling Hills Drive, Surry Building, Conference Room 1, Richmond, Virginia. ☒

A general business meeting.

Contact: Moira C. Lux, Executive Director, Virginia Board of Optometry, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9910

DEPARTMENT OF PERSONNEL AND TRAINING

State Employees Combined Charitable Campaign

July 7, 1987 - 1:30 p.m. — Public Hearing
General Assembly Building, House Room D, Capitol Square, Richmond, Virginia. ☒

Per Executive Order 41 (87), there will be a public hearing on the Virginia State Employees Combined Charitable Campaign to hear oral or receive written comments on the procedures as developed by the Governor's Secretary of Administration to implement the campaign.

The campaign procedures are available from the Campaign State Coordinator, Mr. Bruce Meador, Department of Personnel and Training, Office of Community Services, James Monroe Building - 13th Floor, 101 North 14th Street, Richmond, Va. 23219, (804) 225-2015. After the July 7 public hearing, written comments on the procedures will be accepted by the Campaign State Coordinator until August 14, 1987.

Contact: Bruce Meador, State Government Community Services Liaison, James Monroe Bldg., 101 N. 14th St., Richmond, Va. 23219, telephone (804) 225-2131

STATE BOARD OF PHARMACY

August 12, 1987 - 10 a.m. — Public Hearing
State Capitol, House Room 4, Capitol Square, Richmond, Virginia. ☒

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the State Board of Pharmacy intends to adopt new regulations and repeal existing regulations entitled: VR 530-01-1. Virginia State Board of Pharmacy Regulations.

Statutory Authority: §§ 54-524.16 and 54-524.17 of the Code of Virginia.

Written comments may be submitted until August 24, 1987

Contact: Jack B. Carson, Executive Director, State Board of Pharmacy, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9911

BOARD OF COMMISSIONERS TO EXAMINE PILOTS

July 16, 1987 - 10 a.m. — Open Meeting
Hasler and Company, 212 Tazewell Street, Norfolk, Virginia

The board will meet to conduct routine business at its regular quarterly meeting.

Contact: David E. Dick 3600 W. Broad St., Richmond, Va. 23220, telephone (804) 257-8515 or William L. Taylor, 3327 Shore Dr., Virginia Beach, Va. 23451, telephone (804) 496-0995

VIRGINIA PORT AUTHORITY

† July 14, 1987 - 2 p.m. — Public Hearing
World Trade Center, Virginia Port Authority Board Room, Sixth Floor, Norfolk, Virginia

A hearing to consider comments on its proposed policy on grants to local governments for financial assistance

Calendar of Events

for port facilities.

A copy of the proposed policy may be obtained from Ms. Elise Tilghman. Written comments on the policy will be accepted at the below address until 4 p.m. July 17, 1987. Persons wishing to speak at the public hearing must notify the Virginia Port Authority by 4 p.m. July 13, 1987.

Contact: Elise Tilghman, Virginia Port Authority, 600 World Trade Center, Norfolk, Va. 23510, telephone (804) 623-8042 (toll-free 1-800-446-8098)

VIRGINIA BOARD OF PROFESSIONAL COUNSELORS

† August 6, 1987 - 9 a.m. - Open Meeting
† August 7, 1987 - 9 a.m. - Open Meeting
Pavilion Towers, 1900 Pavilion Drive, Virginia Beach, Virginia

A planning meeting to set goals and plan objectives for the coming year.

Credentials Review Committee

† July 20, 1987 - 10 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Conference Room 2, Richmond, Virginia. ☐

A meeting to review credentials.

Contact: Joyce D. Williams, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9912

VIRGINIA BOARD OF PSYCHOLOGY

July 8, 1987 - 10 a.m. - Public Hearing
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☐

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Virginia Board of Psychology intends to adopt new regulations and repeal existing regulations entitled: **VR 565-01-2. Regulations Governing the Practice of Psychology.** The proposed regulations were developed as a part of the comprehensive review of regulations initiated by Governor Charles S. Robb.

Statutory Authority: § 54-929 of the Code of Virginia.

Written comments may be submitted until August 10, 1987.

Contact: Stephanie A. Sivert, Executive Director, Board of Psychology, 1601 Rolling Hills Dr., Richmond, Va. 23229-5005, telephone (804) 662-9913

† July 23, 1987 - 1 p.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Richmond, Virginia. ☐

A meeting to conduct general board business and to certify oral examination results.

Contact: Phyllis Henderson, Administrative Assistant, 1601 Rolling Hills Drive, Richmond, Va. 23229-5005, telephone (804) 662-9913

VIRGINIA REAL ESTATE BOARD

July 8, 1987 - 10 a.m. - Open Meeting
Waynesboro District Court, 250 South Wayne Avenue, Waynesboro, Virginia

A meeting to conduct a formal administrative hearing regarding Virginia Real Estate Board vs. William L. Hausrath.

July 14, 1987 - 10 a.m. - Open Meeting
July 15, 1987 - 10 a.m. - Open Meeting
Charlottesville Hilton Hotel, 2350 Seminole Trail, Charlottesville, Virginia

A meeting to conduct a formal administrative hearing regarding Virginia Real Estate Board vs. Martha K. Hogshire.

July 23, 1987 - 10 a.m. - Open Meeting
Rockingham Juvenile and Domestic Relations Court, 181 South Liberty Street, Harrisonburg, Virginia

A meeting to conduct a formal administrative hearing regarding Virginia Real Estate Board vs. Great North Mountain, Inc.

Contact: Sylvia W. Bryant, Hearings Coordinator, Department of Commerce, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 257-8524

† July 22, 1987 - 1987 - 9 a.m. - Open Meeting
Department of Commerce, 3600 West Broad Street, Fifth Floor, Richmond, Virginia. ☐

A regular business meeting of the board. The agenda will consist of investigative cases (files) to be considered, files to be reconsidered, matters relating to Fair Housing, Property Registration, and Licensing issues (e.g., reinstatement, eligibility requests).

Contact: Florence R. Brassier, Assistant Director for Real Estate, Department of Commerce, 3600 W. Broad St., Fifth Fl., Richmond, Va. 23230, telephone (804) 257-8552

Calendar of Events

VIRGINIA RESOURCES AUTHORITY

July 14, 197 - 9 a.m. - Open Meeting
Cavalier Hotel, 42nd and Ocean Front Avenue, Virginia Beach, Virginia

A meeting to (i) approve minutes of the May 12, 1987 meeting; (ii) review the authority's operations for the prior months; and (iii) consider other matters and take other actions as they may deem appropriate. The planned agenda of the meeting will be available at the offices of the authority one week prior to the date of the meeting.

Contact: Shockley D. Gardner, Jr., P.O. Box 1300, Richmond, Va. 23210, telephone (804) 644-3100

STATE SEWAGE HANDLING AND DISPOSAL APPEALS REVIEW BOARD

July 8, 1987 - 10 a.m. - Open Meeting
† **August 26, 1987 - 10 a.m. - Open Meeting**
General Assembly Building, Capitol Square, Senate Room A, Richmond, Virginia. ☒

A meeting to hear and render a decision on all appeals of denials of on-site sewage disposal system permits.

Contact: David D. Effert, James Madison Bldg., 109 Governor St., Room 500, Richmond, Va. 23219, telephone (804) 786-1750

DEPARTMENT OF SOCIAL SERVICES (BOARD OF)

July 10, 1987 - 2 p.m. - Public Hearing
Tyler Building, 1603 Santa Rosa Road, Second Floor Conference Room, Richmond, Virginia
NOTE: CHANGE IN LOCATION OF MEETING

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Social Services intends to amend regulations entitled: **VR 615-08-1. Virginia Fuel Assistance Program.**

Statutory Authority: § 63.1-25 of the Code of Virginia.

Written comments may be submitted until July 9, 1987.

Contact: Charlene Chapman, Supervisor, Energy and Emergency Assistance, Division of Benefit Programs, 8007 Discovery Drive, Richmond, Va. 23229-8699, telephone (804) 281-9050 (toll-free number 1-800-552-7091)

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July 24, 1987 - Written comments may be submitted until

this date.

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Social Services intends to adopt regulations entitled: **VR 615-50-4. Family Based Social Services.** These regulations establish a philosophy and requirements of a family based social service delivery approach by local social service agencies.

Statutory Authority: § 63.1-25 of the Code of Virginia.

Written comments may be submitted until July 24, 1987.

Contact: Linda N. Booth, Administrative Planning Supervisor, Department of Social Services, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 281-9638 (toll-free 1-800-552-7091)

COMMONWEALTH TRANSPORTATION BOARD

July 16, 1987 - 10 a.m. - Open Meeting
Department of Transportation, 1401 East Broad Street, Board Room, 3rd Floor, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested) ☞

† **August 20, 1987 - 10 a.m. - Open Meeting**
Kilmarnock Volunteer Fire House, School Street, Kilmarnock, Virginia. ☒ (Interpreter for deaf provided if requested) ☞

A monthly meeting of the Commonwealth Transportation Board to vote on proposals presented regarding bids, permits, additions and deletions to the highway system, and any other matters requiring board approval.

Contact: Albert W. Coates, Jr., Assistant Commissioner, Department of Transportation, 1401 E. Broad St., Richmond, Va., telephone (804) 786-9950

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August 19, 1987 - 1:30 p.m. - Public Hearing
Department of Transportation Auditorium, 1221 East Broad Street, Richmond, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Commonwealth Transportation Board intends to adopt regulations entitled: **VR 385-01-5. Hazardous Materials Transportation Rules and Regulations at Bridge-Tunnel Facilities.** These regulations set forth the requirements for transporting hazardous materials through tunnels, bridges, and ferries in Virginia.

Statutory Authority: §§ 33.1-12 and 33.1-13 of the Code of Virginia.

Written comments may be submitted until August 19, 1987.

Contact: John L. Butner, Engineering Programs Supervisor, Traffic Engineering Division, 1401 E. Broad St., Richmond, Va. 23219, telephone (804) 786-2878

TREASURY BOARD

† July 29, 1987 - 9 a.m. - Open Meeting
† August 19, 1987 - 9 a.m. - Open Meeting
James Monroe Building, 101 North 14th Street, Third Floor, Richmond, Virginia. ☒

A regular monthly meeting.

Contact: Betty A. Ball, Department of Treasury, James Monroe Bldg., 3rd Fl., Richmond, Va. 23219, telephone (804) 225-2142

BOARD FOR THE VISUALLY HANDICAPPED

July 8, 1987 - 11 a.m. - Open Meeting
Administrative Headquarters, 397 Azalea Avenue, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

A quarterly meeting to review policy and procedures of the Department for the Visually Handicapped. The board reviews and approves department's budget, executive agreement, and operating plan.

Contact: Diane E. Allen, Executive Secretary Senior, 397 Azalea Ave., Richmond, Va. 23227, telephone (804) 264-3145 (TTD number 264-3140)

DEPARTMENT FOR THE VISUALLY HANDICAPPED

† July 20, 1987 - 2 p.m. & 7 p.m. - Public Hearing
Medical Foundation of Roanoke Valley, 3000 Keggie Road, Salem, Virginia

A public hearing on the 1988 Title I Vocational Rehabilitation State Plan Amendment.

Contact: James G. Taylor, Department for the Visually Handicapped, 397 Azalea Ave., Richmond, Va. 23227, telephone (804) 264-3111

Advisory Committee on Services

July 18, 1987 - 10:30 a.m. - Open Meeting
Administrative Headquarters, 397 Azalea Avenue, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested) ☒

A quarterly meeting to advise the Virginia Department for the Visually Handicapped on matters related to services for blind and visually handicapped citizens of the Commonwealth.

Contact: Diane E. Allen, Executive Secretary Senior, 397 Azalea Ave., Richmond, Va. 23227, telephone (804) 264-3145 (TTD number 264-3140)

VIRGINIA WASTE MANAGEMENT BOARD

† August 12, 1987 - 10 a.m. - Open Meeting
James Monroe Building, 101 North 14th Street, Conference Room D, Richmond, Virginia. ☒

A general business meeting and election of officers. This meeting is being held in place of the June 26 meeting.

Contact: Cheryl Cashman, Information Officer, Department of Waste Management, James Monroe Bldg., 101 N. 14th St., 11th Floor, Richmond, Va. 23219, telephone (804) 225-2667, or the Hazardous Waste Hotline 1-800-552-2075

STATE WATER CONTROL BOARD

July 6, 1987 - 7 p.m. - Public Hearing
George D. English Sr. Memorial Building, Board Room, Polk Street, Montross, Virginia

A hearing to receive comments on the proposed National Pollutant Discharge Elimination System (NPDES) Permit for the Town of Montross Sewage Treatment System. This proposed permit would allow the discharge of treated domestic wastewater into a tributary of Cat Point Creek. The discharge would originate in Westmoreland County and flow approximately one mile before entering and continuing through Richmond County.

July 8, 1987 - 7 p.m. - Public Hearing
Prince Edward County Courthouse, Board of Supervisors Room, 124 North Main Street, Farmville, Virginia

A hearing to receive comments on the proposed National Pollutant Discharge Elimination System (NPDES) Permit for G.I.H. Car Wash to be located in Rice, Virginia. This proposed permit would allow the discharge of wastewater into Bacon Branch, a tributary of the James River.

Contact: Doneva A. Dalton, State Water Control Board, 2111 N. Hamilton St., P.O. Box 11143, Richmond, Va. 23230, telephone (804) 257-6829

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Calendar of Events

August 12, 1987 - 2 p.m. – Public Hearing
Prince William County Complex, McCourt Building, 4850
Davis Ford Road, Prince William, Virginia

August 13, 1987 - 1 p.m. – Public Hearing
Roanoke County Administrative Center, 3738 Brambleton
Avenue, S.W., Community Room, Roanoke, Virginia

August 14, 1987 - 10 a.m. – Public Hearing
Williamsburg/James City Courthouse Council Chambers,
321-45 Court Street-West, Williamsburg, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the State Water Control Board intends to amend regulations entitled: **VR 680-21-00. Water Quality Standards.** The proposed amendments to the Water Quality Standards are to make necessary revisions to comply with the requirement that the standards be reviewed every three years. Water quality standards consist of narrative statements and numerical limits which describe water quality necessary for reasonable beneficial uses.

Statutory Authority: § 62.1-44.15(3) of the Code of Virginia.

Written comments may be submitted until August 21, 1987, to Doneva Dalton, Hearing Reporter.

Contact: Stu Wilson, Water Resources Ecologist, State Water Control Board, P. O. Box 11143, Richmond, Va. 23230, telephone (804) 257-0387

LEGISLATIVE

JOINT HOUSE AGRICULTURE AND SENATE AGRICULTURE, CONSERVATION AND NATURAL RESOURCES

† **July 9, 1987 - 2 p.m.** – Open Meeting
† **July 10, 1987 - 9 a.m.** – Open Meeting
Donaldson Brown Center, Virginia Tech, Board Room,
Blacksburg, Virginia

House and Senate Committees on Agriculture will meet jointly to coincide with activities on the program of AGRI-TECH '87, whose theme will be "New Ideas and Innovations for the Future."

Contact: Michael Ward, Staff Attorney, or Martin Farber, Research Associate, Division of Legislative Services, General Assembly Bldg., 2nd Fl., Richmond, Va. 23219, telephone (804) 786-3591 or Barbara Hanback, House of Delegates Clerk's Office, General Assembly Bldg., 1st Fl., Richmond, Va. 23219, telephone (804) 786-7681

HOUSE APPROPRIATIONS COMMITTEE

July 20, 1987 - 9:30 a.m. – CANCELLED
General Assembly Building, 9th Floor Committee Meeting
Room, Capitol Square, Richmond, Virginia. ☒

A regular monthly meeting of the full committee.

Contact: Donna C. Johnson, House Appropriations Committee, General Assembly Bldg., 9th Floor, Capitol Square, Richmond, Va. 23219, telephone (804) 786-1837

JOINT SUBCOMMITTEE STUDYING THE CARE AND MANAGEMENT OF CHILDREN IN NEED OF SERVICES (CHINS) AND THE PROBLEM OF RUNAWAY CHILDREN

† **July 24, 1987 - 10 a.m.** – Open Meeting
General Assembly Building, Capitol Square, House Room C,
Richmond, Virginia. ☒

Subcommittee will meet for organizational purposes and to set out agenda for interim meetings. HJR 247

Contact: Susan Ward, Staff Attorney, Division of Legislative Services, General Assembly Bldg., Richmond, Va. 23219, telephone (804) 786-3591 or Barbara H. Hanback, House of Delegates, General Assembly Bldg., Richmond, Va. 23219, telephone (804) 786-7681

JOINT SUBCOMMITTEE STUDYING THE NEED FOR EARLY CHILDHOOD PROGRAMS

† **July 14, 1987 - 10 a.m.** – Open Meeting
General Assembly Building, Capitol Square, House Room C,
Richmond, Virginia. ☒

This is an organizational meeting to plan agenda for future interim meetings. HJR 299

Contact: Brenda Edwards, Research Associate, Division of Legislative Services, General Assembly Bldg., 2nd Fl., Richmond, Va. 23219, telephone (804) 786-3591 or Barbara H. Hanback, House of Delegates, General Assembly Bldg., 1st Fl., Richmond, Va. 23219, telephone (804) 786-7681

JOINT SUBCOMMITTEE STUDYING LENDING INSTITUTIONS' PRACTICES IN COMMERCIAL AND RESIDENTIAL REAL ESTATE CLOSINGS

† **July 15, 1987 - 2 p.m.** – Public Hearing
Norfolk City Council Chambers, Norfolk, Virginia

† **August 13, 1987 - 10 a.m.** – Public Hearing
General Assembly Building, Capitol Square, House Room

D, Richmond, Virginia. ☐

This will be the first and second of three public hearings to receive testimony from the public on lending institutions' practices in commercial and residential real estate closings. HJR 228

Contact: C. William Cramme', III, Staff Attorney, or Terry M. Barrett, Research Associate, Division of Legislative Services, General Assembly Bldg., 2nd Fl., Richmond, Va. 23219, telephone (804) 786-3591 or Anne R. Howard, House of Delegates Clerk's Office, P. O. Box 406, Richmond, Va. 23208, telephone (804) 786-7681

JOINT SUBCOMMITTEE STUDYING ADOPTION OF NEW LYRICS FOR THE OFFICIAL SONG OF THE COMMONWEALTH

† July 17, 1987 - 2 p.m. - Public Hearing
Tidewater Community College, 1428 Cedar Road,
Chesapeake Campus, Lecture Hall, Chesapeake, Virginia

This will be the first in a series of public hearings around the Commonwealth to determine interest in adopting new lyrics for Virginia State Song. HJR 208

Contact: Angela Bowser, Staff Attorney, Division of Legislative Services, General Assembly Bldg., 2nd Fl., Richmond, Va. 23219, telephone (804) 786-3591 or Anne R. Howard, House of Delegates Clerk's Office, Richmond, Va. 23203, telephone (804) 786-7681

SUBCOMMITTEE INVESTIGATING THE EXTENT OF UNFAIR COMPETITION BETWEEN NONPROFIT ORGANIZATIONS AND SMALL FOR-PROFIT BUSINESSES IN VIRGINIA

July 7, 1987 - 10 a.m. - Public Hearing
General Assembly Building, House Room C, Capitol Square,
Richmond, Virginia. ☐

A public hearing to receive testimony regarding specific accounts of unfair competition. HJR 303

Contact: Terry M. Barrett, Research Associate, Division of Legislative Services, P.O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

JOINT SUBCOMMITTEE STUDYING OUTDOOR RECREATION NEEDS

† July 15, 1987 - 1 p.m. & 7:30 p.m. - Public Hearing
Hungary Mother State Park, Marion, Virginia

A work session will be held at 1 p.m. and a public

hearing will be held at 7:30 p.m. to receive comments from the public on state and local parks and outdoor recreational issues. HJR 204

Contact: Michael Ward, Staff Attorney, Division of Legislative Services, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591 or Barbara Hanback, House of Delegates, General Assembly Bldg., 1st Fl., Richmond, Va. 23219, telephone (804) 786-7681

COMMISSION ON VETERANS' AFFAIRS

July 11, 1987 - 10 a.m. - Public Hearing
Clarke County Circuit Court, Main Court Room, Berryville,
Virginia. ☐

August 8, 1987 - 10 a.m. - Public Hearing
Rappahannock Community College (North Campus), Main
Lecture Hall, Warsaw, Virginia. ☐

September 11, 1987 - 10 a.m. - Public Hearing
General Assembly Building, Capitol Square, House Room C,
Richmond, Virginia. ☐

The commission will conduct a public hearing, taking testimony from individual veterans, representatives of veterans' organizations, and the general public on any matters concerning Virginia's veterans.

Contact: Alan Wambold, Research Associate, Division of Legislative Services, P.O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

CHRONOLOGICAL LIST

OPEN MEETINGS

- July 7
Auctioneers Board
† Conservation and Historic Resources, Department of
- Staunton River Advisory Board
Marine Resources Commission
- July 8
† Child Day Care, Employers' Initiatives for,
Governor's Corporate Advisory Commission
Conservation and Historic Resources, Department of
- Virginia Soil and Water Conservation Board
† Health Regulatory Boards, Council on
- Compliance and Discipline Committee
Real Estate Board, Virginia
Sewage Handling and Disposal Appeals Review Board,
State
Visually Handicapped, Board for the

Calendar of Events

- July 9**
† Joint House Agriculture and Senate Agriculture, Conservation and Natural Resources
- July 10**
† Children's Residential Facilities, Coordinating Committee for Interdepartmental Licensure and Certification of
† Commerce, Board of
General Services, Department of
- Art and Architectural Review Board
† Social Services, Department of
- July 13**
† Air Pollution Control Board, State
Medical Care Facilities Certificate of Public Need, Commission on
Optometry, Virginia Board of
- July 14**
Alcoholic Beverage Control Board
† Early Childhood Programs, Joint Subcommittee Studying the Need for
Optometry, Virginia Board of
Real Estate Board, Virginia
Resources Authority, Virginia
- July 15**
† Community College System, Virginia
- State Board for Community Colleges
Optometry, Virginia Board of
Real Estate Board, Virginia
- July 16**
Aging, Department for the
- Long-Term Care Ombudsman Program Advisory Council
† Children, Department for
- Advisory Board
† Community College System, Virginia
- State Board for Community Colleges
Longwood College, Board of Visitors
Pilots, Board of Commissioners to Examine
Transportation Board, Commonwealth
- July 17**
Building Code Technical Review Board, State
Longwood College, Board of Visitors
† Medicine, Virginia State Board of
- Informal Conference Committee
- July 18**
Visually Handicapped, Department for the
- Advisory Committee on Services
- July 20**
† Accountancy, State Board of
† Air Pollution Control Board, State
Health Regulatory Boards, Council on
- Committees on Scopes and Standards of Practice
Housing and Community Development, Board of
- † Professional Counselors, Virginia Board of
- Credentials Review Committee
- July 21**
† Accountancy, State Board of
Corrections, State Board of
Health Regulatory Boards, Council on
- Committees on Scopes and Standards of Practice
† Housing Development Authority, Virginia
† Innovative Technology Authority, Virginia
- July 22**
† Health Coordinating Council, Statewide
Health Services Cost Review Council, Virginia
† Real Estate Board, Virginia
- July 23**
Education, State Board of
Medicine, Virginia State Board of
† - Legislative Committee
† Psychology, Virginia Board of
Real Estate Board, Virginia
- July 24**
† Children in Need of Services (CHINS), Joint Subcommittee Studying the Care and Management of
Education, State Board of
Medicine, Virginia State Board of
- Advisory Board on Physical Therapy
- July 25**
Medicine, Virginia State Board of
- Advisory Board on Physical Therapy
- July 26**
Medicine, Virginia State Board of
- July 27**
Air Pollution Control Board, State
- July 28**
Alcoholic Beverage Control Board
† Local Government, Commission on
- July 29**
† Treasury Board
- July 30**
Cosmetology, Virginia Board of
- August 4**
Auctioneers Board
- August 5**
Auctioneers Board
† Funeral Directors and Embalmers, Virginia Board of
- August 6**
Auctioneers Board
† Labor and Industry, Department of
- Apprenticeship Council

Calendar of Events

- † Professional Counselors, Virginia Board of
- August 7**
† Professional Counselors, Virginia Board of
- August 10**
† Medical Care Facilities Certificate of Public Need, Commission on
- August 11**
† Nursing, Virginia State Board of
- Informal Conference Committee
- August 12**
Corrections, State Board of
† Waste Management Board, Virginia
- August 13**
† Long-Term Care Council
- August 19**
† Aviation Board, Virginia
- 14th Annual Virginia Aviation Conference
† Treasury Board
- August 20**
† Aviation Board, Virginia
- 14th Annual Virginia Aviation Conference
† Commonwealth Transportation Board
- August 21**
† Aviation Board, Virginia
- 14th Annual Virginia Aviation Conference
Building Code Technical Review Board, State
Medicine, Virginia State Board of
- Informal Conference Committee
- August 24**
† Agricultural Council, Virginia
- August 26**
† Funeral Directors and Embalmers, Virginia Board of
† Sewage Handling and Disposal Appeals Review Board, State
- September 8**
† Norfolk State University
- Board of Visitors
- September 14**
† Medical Care Facilities Certificate of Public Need, Commission on
- September 16**
Corrections, State Board of

PUBLIC HEARINGS

July 6

Water Control Board, State

- July 7**
Nursing, Virginia State Board of
Personnel and Training, Department of
- State Employees Combined Charitable Campaign
Unfair Competition Between Nonprofit Organizations
and Small For-Profit Businesses in Virginia,
Subcommittee Investigating the Extent of
- July 8**
Psychology, Virginia Board of
Water Control Board, State
- July 9**
Nursing, Virginia State Board of
- July 10**
Social Services, Department of
- July 11**
Veterans' Affairs, Commission on
- July 14**
† Medical Care Facilities Certificate of Public Need, Commission on
Mental Health, Mental Retardation and Substance Abuse Services Board, State
† Port Authority, Virginia
- July 15**
† Lending Institutions' Practices in Commercial and Residential Real Estate Closings, Joint Subcommittee Studying
† Medical Care Facilities Certificate of Public Need, Commission on
Mental Health, Mental Retardation and Substance Abuse Services Board, State
† Outdoor Recreation Needs, Joint Subcommittee Studying
- July 16**
† Commerce, Board of
- July 17**
† Adoption of New Lyrics for the Official Song of the Commonwealth, Joint Subcommittee Studying
† Commerce, Board of
- July 20**
Housing and Community Development, Board of
† Visually Handicapped, Department for the
- July 21**
† Commerce, Board of
Mental Health, Mental Retardation and Substance Abuse Services Board, State
- July 28**
Mental Health, Mental Retardation and Substance Abuse Services Board, State

Calendar of Events

July 29

Air Pollution Control Board, State
Disabled, Board for Rights of the
† Medical Care Facilities Certificate of Public Need,
Commission on

August 3

† Medical Care Facilities Certificate of Public Need,
Commission on

August 4

† Medical Care Facilities Certificate of Public Need,
Commission on

August 6

† Medical Care Facilities Certificate of Public Need,
Commission on

August 8

Veterans' Affairs, Commission on

August 12

Pharmacy, State Board of
Water Control Board, State

August 13

† Lending Institutions' Practices in Commercial and
Residential Real Estate Closings, Joint Subcommittee
Studying
Water Control Board, State

August 14

Fire Services Board, Virginia
Water Control Board, State

August 19

Transportation Board, Commonwealth

August 28

Health, Department of

September 11

Veterans' Affairs, Commission on

September 28

Agriculture and Consumer Services, Department of