

116TH CONGRESS  
1ST SESSION

# S. 1722

To amend the National Housing Act to authorize State-licensed appraisers to conduct appraisals in connection with mortgages insured by the FHA and to ensure compliance with the existing appraiser education and competency requirements, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JUNE 5, 2019

Mr. THUNE (for himself, Mr. TESTER, Mr. HOEVEN, Mr. KING, Mr. ROUNDS, and Ms. SMITH) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To amend the National Housing Act to authorize State-licensed appraisers to conduct appraisals in connection with mortgages insured by the FHA and to ensure compliance with the existing appraiser education and competency requirements, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “FHA Appraiser Eligi-  
5 bility Expansion Act”.

6 **SEC. 2. APPRAISER STANDARDS.**

7 (a) CERTIFICATION OR LICENSING.—

1           (1) IN GENERAL.—Section 202(g)(5) of the Na-  
2           tional Housing Act (12 U.S.C. 1708(g)(5)) is  
3           amended by striking subparagraphs (A) and (B) and  
4           inserting the following:

5                   “(A) be certified or licensed by the State  
6                   in which the property to be appraised is located;

7                   “(B) be knowledgeable of the Uniform  
8                   Standards of Professional Appraisal Practice  
9                   and the appraisal requirements established by  
10                  the Federal Housing Administration;

11                  “(C) meet the competency requirements  
12                  described in the Uniform Standards of Profes-  
13                  sional Appraisal Practice before accepting an  
14                  assignment; and

15                  “(D) have demonstrated verifiable edu-  
16                  cation in the appraisal requirements established  
17                  by the Federal Housing Administration under  
18                  this subsection, which shall include the comple-  
19                  tion of a course or seminar that educates ap-  
20                  praisers on those appraisal requirements and is  
21                  provided by the Federal Housing Administra-  
22                  tion or is approved by the Course Approval Pro-  
23                  gram of the Appraiser Qualification Board of  
24                  the Appraisal Foundation or a State appraiser  
25                  certifying and licensing agency.”.

1           (2) APPLICATION.—Subparagraph (D) of sec-  
2           tion 202(g)(5) of the National Housing Act (12  
3           U.S.C. 1708(g)(5)), as added by paragraph (1),  
4           shall not apply with respect to any appraiser ap-  
5           proved by the Federal Housing Administration to  
6           conduct appraisals on mortgages insured under title  
7           II of the National Housing Act (12 U.S.C. 1707 et  
8           seq.) on or before the date on which the mortgagee  
9           letter or other guidance or regulations take effect  
10          under subsection (c)(3).

11          (b) COMPLIANCE WITH VERIFIABLE EDUCATION  
12          AND COMPETENCY REQUIREMENTS.—Effective beginning  
13          on the date on which the mortgagee letter or other guid-  
14          ance or regulations take effect under subsection (c)(3), no  
15          appraiser may conduct an appraisal for any mortgage in-  
16          sured under title II of the National Housing Act (12  
17          U.S.C. 1707 et seq.) unless—

18                (1) the appraiser is in compliance with the re-  
19                quirements under subparagraphs (A), (B), and (C)  
20                section 202(g)(5) of such Act (12 U.S.C.  
21                1708(g)(5)), as amended by subsection (a); and

22                (2) if the appraiser was not approved to con-  
23                duct such appraisals before the date on which the  
24                mortgagee letter or other guidance or regulations  
25                take effect under subsection (c)(3), the appraiser is

1 in compliance with subparagraph (D) of such section  
2 202(g)(5).

3 (c) IMPLEMENTATION.—Not later than the 240 days  
4 after the date of enactment of this Act, the Secretary of  
5 Housing and Urban Development shall issue a mortgagee  
6 letter or other guidance or regulations that shall—

7 (1) implement the amendments made by sub-  
8 section (a);

9 (2) clearly set forth all of the specific require-  
10 ments under section 202(g)(5) of the National  
11 Housing Act (12 U.S.C. 1708(g)(5)), as amended by  
12 this Act, for approval to conduct appraisals under  
13 title II of such Act (12 U.S.C. 1707 et seq.), which  
14 shall include—

15 (A) providing that, before the effective  
16 date of the mortgagee letter or other guidance  
17 or regulations, a demonstration of competency  
18 and completion of training that meet the re-  
19 quirements under subparagraphs (B), (C), and  
20 (D) of such section 202(g)(5), as amended by  
21 subsection (a), shall be considered to fulfill the  
22 requirements under such subparagraphs; and

23 (B) providing a method for appraisers to  
24 demonstrate such prior competency and comple-  
25 tion; and

1           (3) take effect not later than the date that is  
2           180 days after the date on which the Secretary  
3           issues the mortgagee letter or other guidance or reg-  
4           ulations.

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