

[DISCUSSION DRAFT]117TH CONGRESS
2^D SESSION**H. R.** _____

To establish an independent agency to be known as the Federal Valuation Agency and real estate valuation standards and appraiser criteria, including promoting a fair, unbiased, transparent, repeatable valuation process, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To establish an independent agency to be known as the Federal Valuation Agency and real estate valuation standards and appraiser criteria, including promoting a fair, unbiased, transparent, repeatable valuation process, 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 “Fair Appraisal and
5 Inequity Reform Act of 2022” or the “FAIR Act of
6 2022”.

1 **SEC. 2. FEDERAL VALUATION AGENCY.**

2 (a) ESTABLISHMENT.—There is established an inde-
3 pendent agency to be known as the “Federal Valuation
4 Agency”, in this section referred to as the “Agency”. The
5 Agency shall be considered an Executive agency, as de-
6 fined at section 105 of title 5, United States Code.

7 (b) OFFICE OF FAIR LENDING.—There is established
8 within the Agency an Office of Fair Lending, which
9 shall—

10 (1) report directly to the head of the Agency;

11 and

12 (2) oversee the Agency’s fair lending super-
13 vision and examination procedures, and the con-
14 sumer complaint process.

15 (c) RESPONSIBILITY FOR APPRAISAL STANDARDS.—
16 The Financial Institutions Reform, Recovery, and En-
17 forcement Act of 1989 is amended—

18 (1) in section 1110(1) (12 U.S.C. 3339(1)), by
19 striking “Appraisal Standards Board of the Ap-
20 praisal Foundation” and inserting “Federal Valu-
21 ation Agency, by rule”; and

22 (2) in section 1116 (12 U.S.C. 3345)—

23 (A) in subsection (b), by striking “ or en-
24 dored by the Appraiser Qualification Board of
25 the Appraisal Foundation” and inserting “, by
26 rule, by the Federal Valuation Agency”;

1 (B) in subsection (c), by striking “by the
2 Appraisal Qualifications Board of The Ap-
3 praisal Foundation” and inserting “, by rule, by
4 the Federal Valuation Agency”; and

5 (C) in subsection (e), by striking “of the
6 Appraiser Qualifications Board of The Ap-
7 praisal Foundation. The Appraisal Sub-
8 committee shall have the authority to enforce
9 these requirements” and inserting “promul-
10 gated by the Federal Valuation Agency”.

11 (d) CONFORMING AMENDMENTS.—

12 (1) FINANCIAL INSTITUTIONS REFORM, RECOV-
13 ERY, AND ENFORCEMENT ACT OF 1989.—Title XI of
14 the Financial Institutions Reform, Recovery, and
15 Enforcement Act of 1989 (12 U.S.C. 3331 et seq.)
16 is amended—

17 (A) by striking “Appraisal Subcommittee”
18 each place such term appears in heading or text
19 and inserting “Federal Valuation Agency”;

20 (B) in section 1104(a) (12 U.S.C.
21 3333(a)), by striking “subcommittee” and in-
22 serting “Federal Valuation Agency”;

23 (C) in section 1109(a)(4)(B) (12 U.S.C.
24 3338(a)(4)(B)), by striking “Subcommittee’s
25 functions” each place such term appears and

1 inserting “functions of the Federal Valuation
2 Agency”;

3 (D) in section 1118(c)(3) (12 U.S.C.
4 3347(c)(3)), by striking “subcommittee” and
5 inserting “Federal Valuation Agency”;

6 (E) in section 1119(c) (12 U.S.C.
7 3348(c)), by striking “subcommittee” and in-
8 serting “Federal Valuation Agency”; and

9 (F) in section 1121, by striking paragraph
10 (2).

11 (2) NATIONAL HOUSING ACT.—Section
12 202(g)(2) of the National Housing Act (12 U.S.C.
13 1708(g)(2)) is amended by striking “Appraisal Sub-
14 committee of the Federal Financial Institutions Ex-
15 amination Council” and inserting “Federal Valu-
16 ation Agency”.

17 **SEC. 3. NATIONAL APPRAISER REGISTRY AND FAIR HOUS-**
18 **ING TRAINING.**

19 (a) STATE CERTIFIED REAL ESTATE APPRAISER.—
20 Subsection (a) of section 1116 of the Financial Institu-
21 tions Reform, Recovery, and Enforcement Act of 1989 (12
22 U.S.C. 3345(a)) is amended to read as follows:

23 “(a) STATE CERTIFIED REAL ESTATE APPRAISER
24 DEFINED.—For purposes of this title, the term ‘State cer-
25 tified real estate appraiser’ means any individual who—

1 “(1) records in a nationwide registry estab-
2 lished by the Federal Valuation Agency—

3 “(A) a unique identification number that is
4 also recorded on all relevant mortgage and ap-
5 praisal transaction documents; and

6 “(B) the individual’s self-identified race,
7 ethnicity, and gender;

8 “(2) in the case of an individual conducting ap-
9 praisals through an appraisal management company,
10 records the identification number of the appraisal
11 management company provided by the nationwide
12 registry on all relevant mortgage and appraisal
13 transaction documents; and

14 “(3) has satisfied the requirements for State
15 certification in a State or territory whose criteria for
16 certification as a real estate appraiser currently
17 meets the minimum criteria for certification ap-
18 proved by the Federal Valuation Agency, which min-
19 imum criteria shall include fair housing training for
20 initial certification and continuing education devel-
21 oped by the Office of Fair Housing and Equal Op-
22 portunity of the Department of Housing and Urban
23 Development in coordination with the Federal Valu-
24 ation Agency, which training shall include training
25 regarding—

1 “(A) the history of housing and appraisal
2 discrimination;

3 “(B) Federal laws that prohibit appraisal
4 discrimination;

5 “(C) examples of discrimination violations
6 and the harmful consequences of such discrimi-
7 nation on consumers and the market;

8 “(D) best practices; and

9 “(E) an appraiser’s legal duty not to dis-
10 criminate and the legal penalties associated
11 with violating such duties.”.

12 (b) STATE LICENSED APPRAISER DEFINED.—Sub-
13 section (c) of section 1116 of the Financial Institutions
14 Reform, Recovery, and Enforcement Act of 1989 (12
15 U.S.C. 3345(a)) is amended to read as follows:

16 “(c) STATE LICENSED APPRAISER DEFINED.—For
17 purposes of this title, the term ‘State licensed appraiser’
18 means any individual who—

19 “(1) records in a nationwide registry estab-
20 lished by the Federal Valuation Agency—

21 “(A) a unique identification number that is
22 also recorded on all relevant mortgage and ap-
23 praisal transaction documents; and

24 “(B) the individual’s self-identified race,
25 ethnicity, and gender;

1 “(2) in the case of an individual conducting ap-
2 praisals through an appraisal management company,
3 records the identification number of the appraisal
4 management company provided by the nationwide
5 registry on all relevant mortgage and appraisal
6 transaction documents; and

7 “(3) has satisfied the requirements for State li-
8 censing in a State or territory whose criteria for li-
9 censing as a real estate appraiser currently meets
10 the minimum criteria for licensing approved by the
11 Federal Valuation Agency, which minimum criteria
12 shall include fair housing training for initial licens-
13 ing and continuing education developed by the Office
14 of Fair Housing and Equal Opportunity of the De-
15 partment of Housing and Urban Development in co-
16 ordination with the Federal Valuation Agency, which
17 training shall include training regarding—

18 “(A) the history of housing and appraisal
19 discrimination;

20 “(B) Federal laws that prohibit appraisal
21 discrimination;

22 “(C) examples of discrimination violations
23 and the harmful consequences of such discrimi-
24 nation on consumers and the market;

25 “(D) best practices; and

1 “(E) an appraiser’s legal duty not to dis-
2 criminate and the legal penalties associated
3 with violating such duties.”.

4 (c) REQUIREMENTS FOR APPRAISAL MANAGEMENT
5 COMPANIES.—Section 1116 of the Financial Institutions
6 Reform, Recovery, and Enforcement Act of 1989 (12
7 U.S.C. 3345) is amended by adding at the end the fol-
8 lowing:

9 “(e) REQUIREMENTS FOR APPRAISAL MANAGEMENT
10 COMPANIES.—Each appraisal management company
11 shall, annually, record in a nationwide registry established
12 by the Federal Valuation Agency the self-identified race,
13 ethnicity, and gender of each certified or licensed ap-
14 praiser that the company oversees.”.

15 **SEC. 4. PUBLIC VALUATION DATABASE.**

16 (a) IN GENERAL.—Not later than the expiration of
17 the 24-month period beginning on the date of the enact-
18 ment of this Act, the Director of the Bureau of Consumer
19 Financial Protection shall coordinate with the Director of
20 the Federal Housing Finance Agency, the Secretary of
21 Housing and Urban Development, the Secretary of Agri-
22 culture, the Secretary of Veterans Affairs, the Federal De-
23 posit Insurance Corporation, the Comptroller of the Cur-
24 rency, the Board of Governors of the Federal Reserve Sys-
25 tem, and the National Credit Union Administration to

1 jointly develop, and make publicly available online, a
2 searchable database of valuation information, including
3 appraisals, evaluations, automated value models, for 1-to-
4 4 unit single-family personal residences, including infor-
5 mation collected by the Federal National Mortgage Asso-
6 ciation, the Federal Home Loan Mortgage Corporation,
7 appraisal management companies, independent apprais-
8 ers, and automated valuation models and identifiable at
9 the census tract level, which shall include information re-
10 garding race and ethnicity.

11 (b) UPDATING.—The Federal Valuation Agency and
12 the Director of the Federal Housing Finance Agency shall
13 jointly ensure that information in the database developed
14 pursuant to subsection (a) is updated on a quarterly basis.

15 (c) AGENCY ACCESS.—The Director of the Bureau
16 of Consumer Financial Protection shall provide access to
17 all information collected for the database pursuant to this
18 section, in unredacted form, to any Executive agency (as
19 such term is defined in section 105 of title 5, United
20 States Code) for use for enforcement or other purposes.

21 (d) PRIVACY PROTECTION.—

22 (1) IN GENERAL.—The database developed pur-
23 suant to subsection (a) shall not make available any
24 personally identifiable information.

1 (2) DISCRETION TO DELETE OR MODIFY PUB-
2 LICLY AVAILABLE DATA.—The Director of the Bu-
3 reau of Consumer Financial Protection may, at the
4 Director’s discretion, delete or modify information
5 collected under this section which is or will be avail-
6 able to the public, if the Director determines that
7 the deletion or modification of the data would ad-
8 vance a privacy interest.

9 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
10 authorized to be appropriated such sums as may be nec-
11 essary for each of fiscal years 2023 through 2028 to carry
12 out this section.

13 **SEC. 5. COLLECTION OF DIVERSITY INFORMATION.**

14 (a) OFFICES OF MINORITY AND WOMEN INCLU-
15 SION.—Section 342 of the Dodd-Frank Wall Street Re-
16 form and Consumer Protection Act (12 U.S.C. 5452) is
17 amended—

18 (1) by redesignating subsection (g) as sub-
19 section (h); and

20 (2) by inserting after subsection (f) the fol-
21 lowing new subsection;

22 “(g) APPRAISAL INFORMATION.—The Office for each
23 agency shall collect from the agency and make publicly
24 available on a website of the agency information regarding
25 the race, ethnicity, and gender diversity of appraisal ven-

1 dors and contractors used by the agency or entities regu-
2 lated or supervised by the agency, including appraisal
3 management companies, appraisal companies, providers of
4 automated valuation models, appraiser panels, inde-
5 pendent appraisers, and any in-house appraisers employed
6 by the entities regulated or supervised by the agency, in-
7 cluding depository institutions insured by the Corporation,
8 credit unions insured by the National Credit Union Ad-
9 ministrations, and mortgage brokers.”.

10 (b) OTHER AGENCIES.—The Secretary of Housing
11 and Urban Development, the Secretary of Agriculture,
12 and the Secretary of Veterans Affairs shall each collect,
13 report to the Congress on an annual basis, and make pub-
14 licly available on a website of the agency information re-
15 garding the race, ethnicity, and gender diversity of ap-
16 praisal vendors and contractors used by the agency or en-
17 tities regulated or supervised by the agency, including ap-
18 praisal management companies, appraisal companies, pro-
19 viders of automated valuation models, appraiser panels,
20 independent appraisers, and any in-house appraisers em-
21 ployed by the entities regulated or supervised by the agen-
22 cy.

23 **SEC. 6. FUNDING FOR FAIR HOUSING TESTING.**

24 (a) FHIP.—There is authorized to be appropriated
25 such sums as may be necessary for each of fiscal years

1 2023 through 2028 for private investigation initiatives
2 under section 561(b) of the Housing and Community De-
3 velopment Act of 1987 (42 U.S.C. 3616a(b)) to inves-
4 tigate discriminatory practices in the provision of real es-
5 tate valuations, including appraisals, automated valuation
6 models, and evaluations.

7 (b) FHAP.—There is authorized to be appropriated
8 such sums as may be necessary for each of fiscal years
9 2023 through 2028 for the Fair Housing Assistance Pro-
10 gram under the Fair Housing Act (42 U.S.C. 3601 et
11 seq.) for conducting investigations of valuations of resi-
12 dential real property, including through appraisals, auto-
13 mated valuation models, and evaluations, that are alleged
14 to be in violation of section 805 of such Act (42 U.S.C.
15 3605).

16 **SEC. 7. PROCEDURE FOR APPRAISAL COMPLAINTS.**

17 Title XI of the Financial Institutions Reform, Recov-
18 ery, and Enforcement Act of 1989 (12 U.S.C. 3331 et
19 seq.) is amended by adding at the end the following new
20 section:

21 **“SEC. 1128. PROCEDURE FOR APPRAISAL COMPLAINTS.**

22 “(a) ESTABLISHMENT.—

23 “(1) DISCRIMINATION COMPLAINTS.—The Sec-
24 retary of Housing and Urban Development shall co-
25 ordinate with, the Director of the Federal Housing

1 Finance Agency, the Director of the Bureau of Con-
2 sumer Financial Protection, and the head of the
3 Federal Valuation Agency, in consultation with any
4 other Federal and State agencies such officers deter-
5 mined to be relevant, shall establish a single Federal
6 complaint procedure that provides for individuals to
7 report suspected discrimination in the provision,
8 management, and approval of real estate valuations,
9 including appraisals, automated valuation models,
10 evaluations, and appraiser misconduct.

11 “(2) OTHER COMPLAINTS.—The head of the
12 Federal Valuation Agency shall establish a complaint
13 procedure that provides for individuals to report sus-
14 pected misconduct not involving discrimination in
15 the provision, management, and approval of real es-
16 tate valuations, including appraisals, automated
17 valuation models, evaluations, and appraiser mis-
18 conduct.

19 “(b) REQUIREMENTS.—The procedure established
20 pursuant to subsection (a)(1) shall require—

21 “(1) referral of any complaint regarding ap-
22 praiser misconduct or discrimination in the provision
23 of a real estate appraisal received by any State ap-
24 praiser regulatory agency, including any State ap-
25 praiser certifying and licensing agency, within 48

1 hours (not including weekends or legal public holi-
2 days) of such receipt, to the Federal procedure es-
3 tablished pursuant to this section;

4 “(2) that investigation of any such complaint
5 shall include a full review of the appraisals con-
6 ducted within the preceding 24 months by the ap-
7 praiser involved; and

8 “(3) resolution of complaints within 100 days
9 of receipt under such procedure.

10 “(d) REGULATIONS.—The officers specified in sub-
11 section (a) shall jointly issue regulations establishing the
12 procedure required under this section not later than the
13 expiration of the 6-month period beginning on the date
14 of the enactment of this section.”.

15 **SEC. 8. PENALTIES FOR APPRAISAL DISCRIMINATION.**

16 Subtitle E of title IX of the Financial Institutions
17 Reform, Recovery, and Enforcement Act of 1989 (12
18 U.S.C. 1833a) is amended by adding at the end the fol-
19 lowing new section:

20 **“SEC. 952. PENALTIES FOR APPRAISAL DISCRIMINATION.**

21 “(a) AGENCY ENFORCEMENT.—

22 “(1) HUD AND CFPB.—In a civil action under
23 the Fair Housing Act (42 U.S.C. 3601 et seq.)
24 brought by the Secretary of Housing and Urban De-
25 velopment or the Attorney General, or a civil action

1 under the Equal Credit Opportunity Act (15 U.S.C.
2 1691 et seq.) brought by the Director of the Bureau
3 of Consumer Financial Protection, with respect to a
4 discriminatory housing or lending practice, within
5 the meaning of such term under the Fair Housing
6 Act and the Equal Credit Opportunity Act, relating
7 to a real estate-related transaction involving the
8 valuation of residential property, damages to be
9 awarded to the victim of such discriminatory hous-
10 ing practice shall include an amount that is not less
11 than the difference between the corrected valuation
12 of the property and the discriminatory or improper
13 valuation of the property.

14 “(2) DAMAGES IN FAIR HOUSING ACT ADMINIS-
15 TRATIVE ACTION.—In the case of an order for relief
16 under section 812(g) of the Fair Housing Act (42
17 U.S.C. 3612(g)) with respect to a discriminatory
18 housing practice relating to a real estate-related
19 transaction involving the valuation of residential
20 property, damages to be awarded to the aggrieved
21 person shall include an amount that is not less than
22 the difference between the corrected valuation of the
23 property and the discriminatory or improper valu-
24 ation of the property.

1 “(3) ADDITIONAL PENALTIES.—A penalty
2 under this subsection shall be in addition to any
3 other available civil remedy or any available criminal
4 penalty, and may be imposed whether or not the
5 Secretary, Attorney General, or Director imposes
6 other administrative sanctions.

7 “(b) ENFORCEMENT BY PRIVATE PERSONS.—

8 “(1) CIVIL ACTION.—An aggrieved person may
9 commence a civil action in an appropriate United
10 States district court or State court not later than 5
11 years after the occurrence or the termination of an
12 alleged discriminatory housing practice, within the
13 meaning of such term under the Fair Housing Act
14 (42 U.S.C. 3601 et seq.), relating to a real estate-
15 related transaction involving the valuation of resi-
16 dential property, to obtain appropriate relief with re-
17 spect to such discriminatory housing practice, and
18 any damages to be awarded to the plaintiff under
19 such an action shall include an amount that is not
20 less than the difference between the corrected valu-
21 ation of the property and the discriminatory or im-
22 proper valuation of the property.

23 “(2) DAMAGES IN FAIR HOUSING ACT AC-
24 TION.—In a civil action under section 813(a) of the
25 Fair Housing Act (42 U.S.C. 3613(a)) with respect

1 to a residential real estate-related transaction involv-
2 ing the appraisal of residential real property, dam-
3 ages to be awarded to the plaintiff shall include an
4 amount that is not less than the difference between
5 the corrected valuation of the property and the dis-
6 criminatory or improper valuation of the property.”.

7 **SEC. 9. ANNUAL REPORTING ON DISCRIMINATION.**

8 Section 1128 of the Financial Institutions Reform,
9 Recovery, and Enforcement Act of 1989, as added by the
10 amendment made by section 7 of this Act, is amended by
11 inserting after subsection (b) the following new subsection:

12 “(c) ANNUAL REPORT.—The head of the Federal
13 Valuation Agency and the Secretary of Housing and
14 Urban Development shall jointly submit a report annually
15 to the Congress that identifies the number of complaints
16 regarding discrimination and misconduct in the provision
17 of real estate appraisals received in the preceding year by
18 the procedure established pursuant to this section and any
19 actions that were taken to resolve such complaints, includ-
20 ing the enforcement of penalties and the suspension or
21 revocation of any appraiser licenses or certifications.”.

22 **SEC. 10. MEDIA AND EDUCATION CAMPAIGN.**

23 There is authorized to be appropriated to the Sec-
24 retary of Housing and Urban Development \$2,000,000 for
25 fiscal year 2023 for the Office of Fair Housing and Equal

1 Opportunity to carry out a media and education campaign
2 to inform the public about discrimination in real estate
3 transactions and how to report appraisers, real estate
4 agents, mortgage lenders, and other housing professionals
5 for alleged discrimination.