117TH CONGRESS
1ST SESSION
H. R. 2553

To establish an interagency Task Force to analyze Federal collateral underwriting standards and guidance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. CLEAVER introduced the following bill; which was referred to the Committee on _________________________

A BILL

To establish an interagency Task Force to analyze Federal collateral underwriting standards and guidance, and for other purposes.

Be it enacted by the Senate and House of Representa-

tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Real Estate Valuation
Fairness and Improvement Act of 2021”.

SEC. 2. FINDINGS.

The Congress finds the following:
(1) Two Federal agencies, the Federal Home Owners’ Loan Corporation and the Federal Housing Administration played a major role in the development of the modern home mortgage origination industry.

(2) Both Federal agencies explicitly considered the racial and ethnic make up of neighborhoods when underwriting loans and valuing the real estate to be used as home loan collateral.

(3) Both agencies devalued property or refused to make loans secured by property in communities of color.

(4) The harmful consequences of this discrimination remain unresolved.

SEC. 3. REAL ESTATE VALUATION TASK FORCE.

(a) ESTABLISHMENT.—The Appraisal Subcommittee of the Financial Institutions Examination Council shall facilitate the establishment and convening of an Interagency Task Force on Real Estate Valuation (in this section referred to as the “Task Force”).

(b) MEMBERS.—The Task Force shall consist of the following members or their designees:

(1) The Director of the Federal Housing Finance Agency.

(3) The chair of the Board of Directors of the Federal Home Loan Mortgage Corporation.


(5) The Chairperson of the board of directors of one of the Federal home loan banks, selected by the Chairpersons of the boards of directors of all of the Federal home loan banks.

(6) The Assistant Secretary of the Department of Housing and Urban Development who is the Federal Housing Commissioner.

(7) The Undersecretary for Rural Development of the Department of Agriculture.

(8) The Secretary of Veterans Affairs.

(9) The Director of the Bureau of Consumer Financial Protection, who shall serve as the Chairperson of the Task Force.

(10) The Comptroller of the Currency.

(11) The Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation.

(12) The Chairman of the Board of Governors of the Federal Reserve System.
(13) The Chairman of the National Credit
Union Administration Board.

(14) The Chairman of the State Liaison Com-
mittee.

(c) DUTIES.—The Task Force shall—

(1) harmonize to the greatest extent possible
the various collateral underwriting standards and
guidance of the agencies and entities represented on
the Task Force governing residential and commer-
cial real estate valuations, including standards and
guidance with respect to appraisals, non-traditional
and alternative methods of providing real estate
property evaluations such as automated valuation
models, processes and procedures for managing re-
considerations of value by consumers, and standards
and guidance with respect to common collateral un-
derwriting challenges, such as energy efficient hous-
ing and limited or inactive markets;

(2) to the extent that standards or guidance de-
scribed under paragraph (1) are not harmonized, the
Task Force shall issue a report to Congress explain-
ing why harmonization cannot or should not be im-
plemented;

(3) establish specific definitions for limited or
inactive housing markets in which comparable sales
are limited or unavailable over a certain period of
time, and establish greater flexibilities and guidance
for appraisals and any underwriting processes asso-
ciated with appraisals conducted in such markets,
such as the ability to consider market evidence for
similar properties in other geographic areas or uti-
lizing a range of value;

(4) aggregate data across Task Force members
and conduct a study to determine whether there are
racial disparities at both the borrower and commu-
nity level in the valuation and price of the residential
real estate to be used as collateral for mortgage ap-
plications processed by Task Force Members;

(5) identify specific causes of such racial dis-
parities and—

(A) adopt changes to address such causes;

or

(B) if the Task Force determines that ad-
ditional statutory authority is needed to adopt
such changes, issue a report to Congress de-
scribing the needed statutory authority; and

(6) Evaluate whether there are any barriers to
entry that are disproportionately preventing minori-
 ties from entering into the appraisal profession, such
as current minimum requirements established by the
Appraiser Qualifications Board, the cost and availability of education, the content of the State appraiser exam questions, or the time it takes to finish training.

(d) MEETINGS.—The Task Force shall convene regularly, including with the advisory committee described under subsection (g), to carry out the duties under subsection (c) and submit the reports required under subsection (f).

(e) SHARING OF INFORMATION.—Each agency and entity represented on the Task Force shall share with the Task Force any data of the agency or entity necessary for the Task Force to carry out the duties of the Task Force under this Act.

(f) REPORTS.—

(1) INITIAL.—The Chairperson of the Task Force shall submit a report to the Congress not later than the expiration of the 24-month period beginning on the date of the enactment of this Act detailing the findings and any actions taken to further the duties of the Task Force as of such time and describing any planned efforts and activities.

(2) ONGOING.—Periodically after the submission of the report pursuant to paragraph (1), the Chairperson shall submit reports to the Congress
setting forth updates of the findings and actions
taken to further the duties of the Task Force.

(g) ADVISORY COMMITTEE.—The Task Force shall
establish an advisory committee to provide advice with re-
spect to the duties of the Task Force. The advisory com-
mittee shall consist of—

(1) at least 2 civil rights advocates;
(2) at least 2 consumer advocates;
(3) at least 2 real estate appraisers (or rep-
resentatives of real estate appraiser trade groups);
(4) at least 1 small lender (or representative of
a trade group for small lenders);
(5) at least 1 representative of a trade group
that represents private investors;
(6) at least 2 representatives of appraisal man-
agement companies or trade groups for such compa-
nies;
(7) at least 2 individuals who are industry ex-
erts on alternative valuation models; and
(8) at least 1 representative of the organization
that adopts the appraisal standards and appraiser
qualification criteria under title XI of the Financial
Institutions Reform, Recovery, and Enforcement Act
(h) **SUNSET.**—The Task Force shall terminate upon the expiration of the 5-year period beginning on the date of the enactment of this Act.

**SEC. 4. PROMOTING DIVERSITY AND INCLUSION IN THE APPRAISAL PROFESSION.**

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 is amended—

(1) in section 1103(a) (12 U.S.C. 3332(a))—

(A) in paragraph (3), by striking “and” at the end;

(B) in paragraph (4), by striking the period at the end and inserting a semicolon;

(C) in paragraph (5), by striking the period at the end and inserting a semicolon;

(D) in paragraph (6), by striking the period at the end and inserting “a semicolon; and”; and

(E) by adding at the end the following new paragraph:

“(7) administer the grant program under section 1122(j).”; and

(2) in section 1106 (12 U.S.C. 3335)—

(A) by inserting “(a) IN GENERAL.—” before “The Appraisal Subcommittee”;

...
(B) by striking the comma after “comment”;

(C) by inserting before “Any regulations” the following:

“(b) REGULATIONS.—”; and

(D) in subsection (a) (as so designated by subparagraph (A) of this paragraph), by adding at the end the following: “The Appraisal Subcommittee may coordinate, and enter into agreements, with private industry stakeholders (including appraisal management companies and industry associations) to facilitate activities and practices that ensure diversity among individuals newly hired as appraisers in their first employment positions in the appraisal industry.”;

(3) in section 1122 (12 U.S.C. 3351), by adding at the end the following new subsection:

“(j) GRANT PROGRAM TO PROMOTE DIVERSITY AND INCLUSION IN THE APPRAISAL PROFESSION.—

“(1) IN GENERAL.—The Appraisal Subcommittee shall carry out a program under this subsection to makes grants to State agencies, nonprofit organizations, and institutions of higher education to
promote diversity and inclusion in the appraisal profession.

“(2) ELIGIBLE ACTIVITIES.—Activities carried out with amounts from a grant under this Act shall be designed to promote diversity and inclusion in the appraisal profession, and may include—

“(A) funding scholarships;
“(B) providing training and education;
“(C) providing implicit bias training for appraisers; and
“(D) other activities as determined appropriate to further the purposes of this grant program by the Appraisal Subcommittee.

“(3) ALLOCATION OF FUNDS.—In making grants under this subsection, the Appraisal Subcommittee shall—

“(A) allocate 50 percent of the funds made available to Historically Black Colleges and Universities or universities with degree programs approved by the Appraiser Qualifications Board or a relevant State regulatory agency for—
“(i) scholarships for students of color who want to pursue a career in real estate appraisal; and
“(ii) subsidizing living expenses for those students while in training; and

“(B) allocate 20 percent of the funds to cover the cost of fulfilling the experience requirements or other applicable requirements that the students described under subparagraph (A) will need to complete in order to become appraisers.

“(4) ADMINISTRATIVE COSTS.—The Appraisal Subcommittee may use 1 percent of amounts appropriated pursuant to paragraph (6) to cover the administrative costs of carrying out this subsection.

“(5) REPORTS.—For each fiscal year during which grants are made under the program under this subsection, the Appraisal Subcommittee shall submit a report to the Congress regarding implementation of the program and describing the grants made, activities conducted using grant amounts, and the number of individuals served by such grants, disaggregated by race, ethnicity, age, and gender.

“(6) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Appraisal Subcommittee for grants under this subsection $50,000,000 for each of fiscal years 2022 through 2026.”