

## **BILL ANALYSIS**

C.S.H.B. 2533  
By: Darby  
Licensing & Administrative Procedures  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Federal agencies have raised the financial thresholds determining when lenders may rely on certain evaluations in lieu of appraisals. These evaluations may be performed by non-appraisers and are not required to comply with stringent requirements provided by the Uniform Standards of Professional Appraisal Practice (USPAP). However, under Texas law, licensed appraisers are still obligated to make their evaluations USPAP compliant, which is an economic disadvantage for licensed appraisers. There have been calls for clarification to better align federal and state standards regarding this issue. C.S.H.B. 2533 seeks to provide this clarification.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 2533 amends the Occupations Code to exempt the following from provisions governing real estate appraisers:

- an employee of a federally regulated financial institution, as defined by the bill, or any other person engaged by the institution who performs an evaluation of real property for use by the institution in a transaction for which the institution is not be required to use the services of a licensed or certified appraiser under applicable federal regulations or applicable state law;
- an employee of a non-bank financial institution or any other person engaged by the institution who provides an analysis, assessment, opinion, conclusion, notation, or compilation of data concerning the value of an interest in real property for use by the institution; and
- the purchase of an automated valuation model, defined by the bill as a system used to derive the value of real property through publicly available property records and various analytic methodologies.

A certified or licensed appraiser is not required to comply with established professional standards to provide such an evaluation, analysis, assessment, opinion, conclusion, notation, or compilation. The bill requires those documents to contain a notice, as prescribed, on the first page of the document stating that the appraisal is not performed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 2533 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes the following provisions:

- a provision exempting from provisions governing real estate appraisers an employee of a non-bank financial institution or any other person engaged by the institution who provides an analysis, assessment, opinion, conclusion, notation, or compilation of data concerning the value of an interest in real property for use by the institution; and
- a provision establishing that a certified or licensed appraiser is not required to comply with established professional standards to provide those documents.

The substitute does not include the specification that the applicable notice regarding the evaluation must be clear and conspicuous.