

**SUBJECT:** Reducing requirements for post-sale appraisal reviews

**COMMITTEE:** Licensing & Administrative Procedures — favorable, without amendment

**VOTE:** 9 ayes — K. King, Walle, Goldman, Harless, Hernandez, Herrero, T. King, Patterson, S. Thompson

0 nays

2 absent — Schaefer, Shaheen

**WITNESSES:** For — Greg Stephens, Real Estate Valuation Advocacy Associates  
(*Registered, but did not testify:* Eric Woomer, Foundation Appraisers Coalition of Texas)

Against — None

On — (*Registered, but did not testify:* Tony Slagle, Texas Appraiser Licensing and Certification Board)

**BACKGROUND:** Under Occupations Code sec. 1104.153, a person who performs an appraisal review for an appraisal management company must be licensed as an appraiser, unless exempt by board rule, and qualified to perform the appraisal being reviewed.

**DIGEST:** HB 1518 would replace references to an appraisal review in Occupations Code sec. 1104.153 with new language that would require a person who examines the work of appraisers performing services for an appraisal management company (AMC) to be knowledgeable of appraisal practice and the Uniform Standards of Professional Appraisal Practice. An appraisal management company would be required to keep a record of the qualifications of a person conducting an appraisal services examination.

An appraisal management company would be required to periodically examine, rather than perform an appraisal review of, the work of appraisers.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2023.

**SUPPORTERS  
SAY:**

HB 1518 would bring Texas statute in line with federal requirements and streamline processes for AMCs by reducing standards for post-sale appraisal reviews. Since current language was established, industry and business practices have evolved. Texas statute goes beyond federal requirements by requiring extensive review of appraisals after a sale is closed. By providing AMCs with more flexibility to conduct reviews, HB 1518 would put Texas in line with other states.

HB 1518 also could decrease costs for consumers by expediting the appraisal review process post-sale. AMCs already conduct their own appraisal reviews before a sale is closed. Since a second appraisal does not change the value of a home, requiring an extensive review process for post-sale appraisals is redundant.

**CRITICS  
SAY:**

No concerns identified.