

By: Darby

H.B. No. 2533

A BILL TO BE ENTITLED

AN ACT

relating to performance of an evaluation of real property for use by  
a financial institution

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1103.003, Occupations Code, is amended  
by adding Subdivision (7-a) to read as follows:

(7-a) "Financial institution" means:

(A) a depository institution as defined in  
section 3 of the Federal Deposit Insurance Act [12 USCS § 1813] or a  
subsidiary of a depository institution;

(B) a credit union as defined in section 101 of  
the Federal Credit Union Act [12 USCS § 1752], a subsidiary of a  
credit union or a credit union service organization;

(C) a person licensed to make regulated loans, as  
provided by statute of this state;

(D) a person licensed or registered in this state  
under Finance Code Chapter 156 or Finance Code Chapter 157.

SECTION 2. Section 1103.004, Occupations Code, is amended  
to read as follows:

Sec. 1103.004. EFFECT OF CHAPTER. This chapter does not  
~~prohibit~~ apply to:

(1) a person authorized by law ~~from~~ in performing an  
evaluation of real property for or providing an evaluation of real  
property to another person;

1           (2) a real estate broker licensed under Chapter 1101  
2 or a sales agent acting under the authority of a sponsoring broker  
3 ~~from~~ in providing to another person a written analysis, opinion, or  
4 conclusion relating to the estimated price of real property if the  
5 analysis, opinion, or conclusion:

6                   (A) is not referred to as an appraisal;

7                   (B) is given in the ordinary course of the  
8 broker's business; and

9                   (C) is related to the actual or potential  
10 acquisition, disposition, encumbrance, or management of an  
11 interest in real property; or

12           (3) an appraiser who is certified by a jurisdiction  
13 other than this state ~~from~~ in performing an appraisal review of an  
14 appraisal performed on real property in this state, if the  
15 appraiser does not offer an opinion of value as part of the  
16 appraisal review.

17           (4) an employee of a financial institution or any  
18 other person, engaged by a financial institution when performing  
19 an evaluation of real property for the use of the financial  
20 institution in a transaction for which the financial institution  
21 would not be required to use the services of a State licensed or  
22 State certified appraiser pursuant to federal regulations adopted  
23 under Title XI of the federal Financial Institutions Reform,  
24 Recovery, and Enforcement Act of 1989, nor does this Chapter  
25 prohibit the procurement of an automated valuation model.  
26 "Automated valuation model" means an automated system that is used  
27 to derive a property value through the use of publicly available

1 property records and various analytic methodologies such as  
2 comparable sales prices, home characteristics, and historical home  
3 price appreciations.

4 SECTION 3. Section 1103.405, Occupations Code, is amended  
5 to read as follows:

6 Sec. 1103.405. PROFESSIONAL STANDARDS. (a) Except as  
7 provided by Subsection (b), a [A] person who holds a certificate,  
8 license, or registration issued under this chapter shall comply  
9 with:

10 (1) the most current edition of the Uniform Standards  
11 of Professional Appraisal Practice adopted by the Appraisal  
12 Standards Board of the Appraisal Foundation; or

13 (2) other standards provided by board rule that are at  
14 least as stringent as the Uniform Standards of Professional  
15 Appraisal Practice.

16 (b) A certified or licensed appraiser is not required to  
17 comply with the standards described by Subsection (a) when  
18 providing an evaluation exempted from this Chapter under Section  
19 1103.004(4) provided that the evaluation shall contain on the first  
20 page the following notice that shall be clear and conspicuous:  
21 "This is not an appraisal performed in accordance with the Uniform  
22 Standards of Professional Appraisal Practice."

23 SECTION 4. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2021.