

## **BILL ANALYSIS**

Senate Research Center  
88R6217 DIO-F

H.B. 1518  
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Business & Commerce  
5/18/2023  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under current state law, appraisers are mandated to perform an extensive review after a sale has closed. This requirement can be redundant, as banks and appraisal management companies already have internal quality control review standards for appraisals to ensure compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) and to catch any other errors that may impact the valuation.

H.B. 1518 seeks to amend the appraisal review process by removing the mandate for a full review. If passed, the appraisal services review process will become more streamlined, saving time and resources for banks and appraisal management companies.

H.B. 1518 sets the requirement that a person examining the work of appraisers performing appraisal services for an appraisal management company be knowledgeable in appraisal practice and USPAP. The bill also requires an appraisal management company to keep adequate records of the qualifications of each person conducting the examination of an appraisal.

H.B. 1518 amends current law relating to the examination of appraisal services for an appraisal management company.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Texas Appraiser Licensing and Certification Board is rescinded in SECTION 1 (Section 1104.153, Occupations Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1104.153, Occupations Code, as follows:

Sec. 1104.153. New heading: APPRAISAL SERVICES EXAMINATION. (a) Requires a person who examines the work of appraisers performing appraisal services for an appraisal management company as required by a certain section to be knowledgeable of appraisal practice and the Uniform Standards of Professional Appraisal Practice. Deletes existing text requiring a person who performs an appraisal review for an appraisal management company as required by a certain section to be licensed as an appraiser under Chapter 1103 (Real Estate Appraisers), unless exempt by the Texas Appraiser Licensing and Certification Board rule, and qualified to perform the appraisal being reviewed.

(b) Requires an appraisal management company registered under Chapter 1104 (Appraisal Management Companies) to keep a record of the qualifications of a person conducting an examination described by Subsection (a).

SECTION 2. Amends Section 1104.155, Occupations Code, as follows:

Sec. 1104.155. PROFESSIONAL STANDARDS. Requires an appraisal management company registered under Chapter 1104 (Appraisal Management Companies) on a periodic basis to examine, rather than perform an appraisal review of, the work of

appraisers performing appraisal services for the company to ensure that the services comply with certain guidelines.

SECTION 3. Effective date: upon passage or September 1, 2023.