

1 bodies, including a State appraiser certifying and licensing  
 2 agency, a financial institution regulator, or other appro-  
 3 priate legal authorities. For complaints referred to State  
 4 appraiser certifying and licensing agencies or to Federal  
 5 regulators, the Appraisal Subcommittee shall have the au-  
 6 thority to follow up such complaint referrals in order to  
 7 determine the status of the resolution of the complaint.”.

8 (q) **AUTOMATED VALUATION MODELS.**—Title XI of  
 9 the Financial Institutions Reform, Recovery, and Enforce-  
 10 ment Act of 1989 (12 U.S.C. 3331 et seq.), as amended  
 11 by this section, is further amended by adding at the end  
 12 the following new section (and amending the table of con-  
 13 tents accordingly):

14 **“SEC. 1125. AUTOMATED VALUATION MODELS USED TO**  
 15 **VALUE CERTAIN MORTGAGES.**

16 “(a) **QUALITY CONTROL STANDARDS.**—The Ap-  
 17 praisal Standards Board of the Appraisal Foundation  
 18 shall develop quality control standards for automated valu-  
 19 ation models, and such standards shall—

20 “(1) ensure a high level of confidence in the es-  
 21 timates produced by automated valuation models;

22 “(2) protect against the manipulation of data;

23 “(3) seek to avoid conflicts of interest; and

24 “(4) require random sample testing and re-  
 25 views, where such testing and reviews are performed

1 by an appraiser who is licensed or certified in the  
2 State where the testing and reviews take place.

3 “(b) ADOPTION OF REGULATIONS.—The Appraisal  
4 Subcommittee shall promulgate regulations to implement  
5 the quality control standards developed by the Appraiser  
6 Standards Board under this section, and enforce such reg-  
7 ulations.

8 “(c) AUTOMATED VALUATION MODEL DEFINED.—  
9 For purposes of this section, the term ‘automated valu-  
10 ation model’ means any computerized model used by mort-  
11 gage originators and secondary market issuers to deter-  
12 mine the collateral worth of a mortgage secured by a con-  
13 sumer’s principal dwelling.”.

14 (r) BROKER PRICE OPINIONS.—Title XI of the Fi-  
15 nancial Institutions Reform, Recovery, and Enforcement  
16 Act of 1989 (12 U.S.C. 3331 et seq.), as amended by this  
17 section, is further amended by adding at the end the fol-  
18 lowing new section (and amending the table of contents  
19 accordingly):

20 **“SEC. 1126. BROKER PRICE OPINIONS.**

21 “(a) GENERAL PROHIBITION.—Broker price opinions  
22 may not be used to determine the value of a piece of prop-  
23 erty for the purpose of valuing a residential mortgage loan  
24 secured by such piece of property.

1       “(b) EXCEPTIONS.—Subsection (a) shall not apply  
2 to—

3           “(1) the refinancing of a residential mortgage  
4 loan;

5           “(2) a home equity line of credit; or

6           “(3) real estate brokers who produce broker  
7 price opinions or competitive market analyses solely  
8 for the purposes of the real estate listing process.

9       “(c) BROKER PRICE OPINION DEFINED.—For pur-  
10 poses of this section, the term ‘broker price opinion’ means  
11 any valuation of a piece of real estate property developed  
12 by a real estate broker done in lieu of a written appraisal,  
13 but does not include an automated valuation model, as de-  
14 fined in section 1125(c).”.

15       (s) AMENDMENTS TO APPRAISAL SUBCOMMITTEE.—  
16 Section 1011 of the Federal Financial Institutions Exam-  
17 ination Council Act of 1978 (12 U.S.C. 3310) is amend-  
18 ed—

19           (1) in the first sentence, by adding before the  
20 period the following: “and the Federal Housing Fi-  
21 nance Agency”; and

22           (2) by inserting at the end the following: “At  
23 all times at least one member of the Appraisal Sub-  
24 committee shall have demonstrated knowledge and  
25 competence through licensure, certification, or pro-

1        fessional designation within the appraisal profes-  
2        sion.”.

Page 150, beginning on line 11, strike “de minimis loan levels” and insert “exemptions to the use of certified appraisers issued by Federal financial institutions regulatory agencies. The study shall also review the threshold level”.

Page 150, line 15, insert the following after the period: “The study shall additionally examine the quality of different types of mortgage collateral valuations produced by broker price opinions, automated valuation models, licensed appraisals, and certified appraisals, among others, and the quality of appraisals provided through different distribution channels, including appraisal management companies, independent appraisal operations within a mortgage originator, and fee-for-service appraisals. The study shall also include an analysis and statistical breakdown of enforcement actions taken during the last 10 years against different types of appraisers, including certified, licensed, supervisory, and trainee appraisers. Furthermore, the study shall examine the benefits and costs, as well as the advantages and disadvantages, of establishing a national repository to collect data related to real estate property collateral valuations performed in the United States.”.