

1-1 By: Darby (Senate Sponsor - Nichols) H.B. No. 2533
 1-2 (In the Senate - Received from the House April 12, 2021;
 1-3 April 13, 2021, read first time and referred to Committee on
 1-4 Business & Commerce; May 4, 2021, reported adversely, with
 1-5 favorable Committee Substitute by the following vote: Yeas 7,
 1-6 Nays 0; May 4, 2021, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14			X	
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 2533 By: Hancock

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the performance of a real property evaluation for use by
 1-22 certain financial institutions.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 1103.003, Occupations Code, is amended
 1-25 by adding Subdivisions (4-b), (6-c), and (7-a) to read as follows:

1-26 (4-b) "Automated valuation model" means an automated
 1-27 system used to derive the value of real property through publicly
 1-28 available property records and various analytic methodologies,
 1-29 including comparable sales prices, home characteristics, and
 1-30 historical home price appreciations.

1-31 (6-c) "Federally regulated financial institution"
 1-32 means:

1-33 (A) a depository institution as defined by
 1-34 Section 3, Federal Deposit Insurance Act (12 U.S.C. Section 1813)
 1-35 or a subsidiary of a depository institution; or

1-36 (B) a federal credit union or a state credit
 1-37 union as defined by Section 101, Federal Credit Union Act (12 U.S.C.
 1-38 Section 1752), a subsidiary of a credit union, or a credit union
 1-39 service organization.

1-40 (7-a) "Non-bank financial institution" means:

1-41 (A) a residential mortgage loan company licensed
 1-42 under Chapter 156, Finance Code; or

1-43 (B) a mortgage banker regulated under Chapter
 1-44 157, Finance Code; or

1-45 (C) a regulated lender licensed under Chapter
 1-46 342, Finance Code.

1-47 SECTION 2. Section 1103.004, Occupations Code, is amended
 1-48 to read as follows:

1-49 Sec. 1103.004. APPLICABILITY ~~[EFFECT]~~ OF CHAPTER. This
 1-50 chapter does not apply to ~~[prohibit]~~:

1-51 (1) a person who is authorized by law to perform ~~[from~~
 1-52 ~~performing]~~ an evaluation of real property for or to provide
 1-53 ~~[providing]~~ an evaluation of real property to another person;

1-54 (2) a real estate broker licensed under Chapter 1101
 1-55 or a sales agent acting under the authority of a sponsoring broker
 1-56 who provides ~~[from providing]~~ to another person a written analysis,
 1-57 opinion, or conclusion relating to the estimated price of real
 1-58 property if the analysis, opinion, or conclusion:

1-59 (A) is not referred to as an appraisal;

1-60 (B) is given in the ordinary course of the

2-1 broker's business; and
2-2 (C) is related to the actual or potential
2-3 acquisition, disposition, encumbrance, or management of an
2-4 interest in real property; ~~[or]~~

2-5 (3) an appraiser ~~[who is]~~ certified by a jurisdiction
2-6 other than this state who performs ~~[from performing]~~ an appraisal
2-7 review of an appraisal performed on real property in this state, if
2-8 the appraiser does not offer an opinion of value as part of the
2-9 appraisal review;

2-10 (4) an employee of a federally regulated financial
2-11 institution or any other person engaged by the institution who
2-12 performs an evaluation of real property for use by the institution
2-13 in a transaction for which the institution is not required to use
2-14 the services of a licensed or certified appraiser under federal
2-15 regulations adopted under Title XI, Financial Institutions Reform,
2-16 Recovery, and Enforcement Act of 1989 (12 U.S.C. Section 1833e) or
2-17 under applicable state law;

2-18 (5) an employee of a non-bank financial institution or
2-19 any other person engaged by the institution who provides an
2-20 analysis, assessment, opinion, conclusion, notation, or
2-21 compilation of data concerning the value of an interest in real
2-22 property for use by the institution; or

2-23 (6) the procurement or use of an automated valuation
2-24 model.

2-25 SECTION 3. Section 1103.405, Occupations Code, is amended
2-26 to read as follows:

2-27 Sec. 1103.405. PROFESSIONAL STANDARDS. (a) Except as
2-28 provided by Subsection (b), a ~~[A]~~ person who holds a certificate,
2-29 license, or registration issued under this chapter shall comply
2-30 with:

2-31 (1) the most current edition of the Uniform Standards
2-32 of Professional Appraisal Practice adopted by the Appraisal
2-33 Standards Board of the Appraisal Foundation; or

2-34 (2) other standards provided by board rule that are at
2-35 least as stringent as the Uniform Standards of Professional
2-36 Appraisal Practice.

2-37 (b) A certified or licensed appraiser is not required to
2-38 comply with the standards described by Subsection (a) to provide:

2-39 (1) an evaluation of real property described by
2-40 Section 1103.004(4); or

2-41 (2) an analysis, assessment, opinion, conclusion,
2-42 notation, or compilation of data concerning the value of an
2-43 interest in real property described by Section 1103.004(5) for use
2-44 by a non-bank financial institution.

2-45 (c) A document provided under Section 1103.004(4) or (5)
2-46 must contain on the first page of the document the following notice:
2-47 "This is not an appraisal performed in accordance with the Uniform
2-48 Standards of Professional Appraisal Practice."

2-49 SECTION 4. The changes in law made by this Act apply only to
2-50 an evaluation, document, or action related to a real property
2-51 transaction commenced on or after the effective date of this Act.
2-52 An evaluation, document, or other action related to a real property
2-53 transaction commenced before the effective date of this Act is
2-54 governed by the law applicable immediately before the effective
2-55 date of this Act, and that law is continued in effect for that
2-56 purpose.

2-57 SECTION 5. This Act takes effect immediately if it receives
2-58 a vote of two-thirds of all the members elected to each house, as
2-59 provided by Section 39, Article III, Texas Constitution. If this
2-60 Act does not receive the vote necessary for immediate effect, this
2-61 Act takes effect September 1, 2021.

2-62 * * * * *