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119TH CONGRESS
1ST SESSION

H. R. 6025

To amend the National Housing Act to authorize State-licensed appraisers to conduct appraisals in connection with mortgages insured by the FHA and to ensure compliance with the existing appraiser education and competency requirements, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 12, 2025

Mr. DONALDS (for himself, Mr. SHERMAN, and Ms. BYNUM) introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

To amend the National Housing Act to authorize State-licensed appraisers to conduct appraisals in connection with mortgages insured by the FHA and to ensure compliance with the existing appraiser education and competency requirements, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Appraisal Industry Improvement Act''.

SEC. 2. APPRAISAL STANDARDS.

(a) CERTIFICATION OR LICENSING.—

(1) IN GENERAL.—Section 202(g)(5) of the National Housing Act (12 U.S.C. 1708(g)(5)) is amended—

(A) by moving the paragraph two ems to the left; and

(B) by striking subparagraphs (A) and (B) and inserting the following:

"(A) be certified or licensed by the State in which the property to be appraised is located, except that a Federal employee who has as their primary duty conducting appraisal-related activities and who chooses to become a State-licensed or certified real estate appraiser need only to be licensed or certified in 1 State or territory to perform appraisals on mortgages insured by the Federal Housing Administration in all States and territories;

"(B) meet the requirements under the competency rule set forth in the Uniform Standards of Professional Appraisal Practice before accepting an assignment; and

"(C) have demonstrated verifiable education in the appraisal requirements established by the Federal Housing Administration under this subsection, which shall include the completion of a course or seminar that educates appraisers on those appraisal requirements, which shall be provided by—

"(i) the Federal Housing Administration; or

"(ii) a third party, so long as the course is approved by the Secretary or a State appraiser certifying or licensing agency.".

(2) APPLICATION.—Subparagraph (C) of section 202(g)(5) of the National Housing Act (12 U.S.C. 1708(g)(5)), as added by subparagraph (A), shall not apply with respect to any certified appraiser approved by the Federal Housing Administration to conduct appraisals on property securing a mortgage to be insured by the Federal Housing Administration on or before the effective date under paragraph (3)(C).

(b) COMPLIANCE WITH VERIFIABLE EDUCATION AND COMPETENCY REQUIREMENTS.—On and after the effective date under paragraph (3)(C), no appraiser may conduct an appraisal on a property securing a mortgage to be insured by the Federal Housing Administration unless—

(1) the appraiser is in compliance with the requirements under subparagraphs (A) and (B) of sec-

tion 202(g)(5) of such Act (12 U.S.C. 1708(g)(5)), as amended by paragraph (1); and

(2) if the appraiser was not approved by the Federal Housing Administration to conduct appraisals on mortgages insured by the Federal Housing Administration before the date on which the mortgagee letter or guidance take effect under paragraph (3)(C), the appraiser is in compliance with subparagraph (C) of such section 202(g)(5).

(c) IMPLEMENTATION.—Not later than the 240 days after the date of enactment of this Act, the Secretary of Housing and Urban Development shall issue a mortgagee letter or guidance that shall—

(1) implement the amendments made by paragraph (1);

(2) clearly set forth all of the specific requirements under section 202(g)(5) of the National Housing Act (12 U.S.C. 1708(g)(5)), as amended by paragraph (1), for approval to conduct appraisals on property secured by a mortgage to be insured by the Federal Housing Administration, which shall include—

(A) providing that, before the effective date of the mortgagee letter or guidance, compliance with the requirements under subparagraphs (A), (B), and (C) of such section 202(g)(5), as amended by paragraph (1), shall be considered to fulfill the requirements under such subparagraphs; and

(B) providing a method for appraisers to demonstrate such prior compliance; and

(3) take effect not later than the date that is 180 days after the date on which the Secretary issues the mortgagee letter or guidance.

SEC. 3. ANNUAL REGISTRY FEES FOR APPRAISAL MANAGEMENT COMPANIES.

Section 1109(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3338(a)) is amended, in the matter following clause (ii) of paragraph (4)(B), by adding at the end the following: "Subject to the approval of the Council, the Appraisal Subcommittee may adjust fees established under clause (i) or (ii) to carry out its functions under this Act.".

SEC. 4. STATE CREDENTIALED TRAINEES.

(a) MAINTENANCE ON NATIONAL REGISTRY.—Section 1103(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3332(a)) is amended—

(1) in paragraph (3)—

(A) by inserting "and State credentialed trainee appraisers" after "licensed appraisers"; and

(B) by striking "and" at the end;

(2) by striking paragraph (4);

(3) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively; and

(4) in paragraph (4), as so redesignated—

(A) by striking "year. The report shall also detail" and inserting "year, details";

(B) by striking "provide" and inserting "provides"; and

(C) by striking the period at the end and inserting "; and".

(b) ANNUAL REGISTRY FEES.—

(1) IN GENERAL.—Section 1109 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3338) is amended—

(A) in the section heading, by striking "**OR LICENSED**" and inserting "**, LICENSED, AND CREDENTIALED TRAINEE**"; and

(B) in subsection (a)—

(i) in paragraph (1), by inserting ", and in the case of a State with a supervisory or trainee program, a roster listing individuals who have received a State trainee credential" after "this title"; and

(ii) by striking paragraph (2) and inserting the following:

"(2) transmit reports on the issuance and renewal of licenses, certifications, credentials, sanctions, and disciplinary actions, including license, credential, and certification revocations, on a timely basis to the national registry of the Appraisal Subcommittee;".

(2) RULE OF CONSTRUCTION.—Nothing in the amendments made by subparagraph (A) shall require a State to establish or operate a program for State credentialed trainee appraisers, as defined in paragraph (12) of section 1121 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as added by subsection (d) of this section.

(c) TRANSACTIONS REQUIRING THE SERVICES OF A STATE CERTIFIED APPRAISER.—Section 1113 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3342) is amended—

(1) by striking "In determining" and inserting "(a) IN GENERAL.—In determining"; and

(2) by adding at the end the following:

"(b) USE OF STATE CREDENTIALED TRAINEE APPRAISERS.—In performing an appraisal under this section, a State certified appraiser may use the assistance of a State credentialed trainee appraiser or an unlicensed trainee appraiser, except that a State certified appraiser assisted by a trainee shall be liable for final work.".

(d) DEFINITION.—Section 1121 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3350) is amended by adding at the end the following:

"(12) STATE CREDENTIALED TRAINEE APPRAISER.—The term 'State credentialed trainee appraiser' means an individual who—

"(A) meets the minimum criteria established by the Appraiser Qualification Board for a trainee appraiser credential; and

"(B) is credentialed by a State appraiser certifying and licensing agency.".

SEC. 5. GRANTS FOR WORKFORCE AND TRAINING.

Section 1109(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3338(b)) is amended—

(1) in paragraph (5)(B), by striking "and" at the end;

(2) in paragraph (6), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(7) to make grants to State appraiser certifying and licensing agencies, nonprofit organizations, and institutions of higher education to support the carrying out of education and training activities or other activities related to addressing appraiser industry workforce needs, including recruiting and retaining workforce talent, such as through scholarship assistance and career pipeline development.".

SEC. 6. APPRAISAL SUBCOMMITTEE.

Section 1011 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3310) is amended, in the first sentence, by inserting "the Department of Veterans Affairs, the Rural Housing Service of the Department of Agriculture, the Department of Housing and Urban Development," after "Financial Protection,".

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