

## **Fair FHA Appraisals Act of 2007 (Introduced in House)**

HR 1723 IH

110th CONGRESS  
1st Session  
**H. R. 1723**

To amend the National Housing Act to ensure fair appraisals in connection with mortgages insured under the FHA single family mortgage insurance program.

### **IN THE HOUSE OF REPRESENTATIVES**

**March 27, 2007**

Mr. WILSON of Ohio (for himself and Mr. CLAY) 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 ensure fair appraisals in connection with mortgages insured under the FHA single family mortgage insurance program.

*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 'Fair FHA Appraisals Act of 2007'.

#### **SEC. 2. CIVIL MONEY PENALTIES FOR IMPROPERLY INFLUENCING APPRAISALS.**

Paragraph (2) of section 536(b) of the National Housing Act (12 U.S.C. 1735f-14(b)(2)) is amended--

- (1) in subparagraph (B), by striking 'or' at the end;
- (2) in subparagraph (C), by striking the period at the end and inserting '; or'; and
- (3) by adding at the end the following new subparagraph:  
'(D) in the case of an insured mortgage under title II for a 1- to 4-family residence, directly or indirectly compensating, instructing, inducing, coercing, or intimidating any person who conducts an appraisal of the property in connection with such

mortgage, or attempting, directly or indirectly, to compensate, instruct, induce, coerce, or intimidate such a person, for the purpose of causing the appraised value assigned to the property under the appraisal to be based on any other factor other than the independent judgment of such person exercised in accordance with applicable professional standards.'.

### **SEC. 3. BLIND DRAWS FOR APPRAISERS.**

Subsection (e) of section 202 of the National Housing Act (12 U.S.C. 1708(e)) is amended--

(1) in paragraph (1)--

(A) in subparagraph (A), by striking `and' at the end;

(B) in subparagraph (B), by striking the period at the end and inserting `; and'; and

(C) by adding at the end the following new subparagraph:

`(C) that in the case of each mortgage for a 1 - to 4-family residence to be insured under title II, the appraisal shall be conducted by appraiser who is selected by the Secretary on a rotating basis, mortgage-by-mortgage, from a list of appraisers, which shall be developed by the Secretary, who meet the qualifications and requirements of this subsection.'; and

(2) in paragraph (3)--

(A) in subparagraph (A), by striking `may contract with an appraiser chosen at the discretion of the mortgagee' and all that follows through the end of the last sentence and inserting the following: `shall utilize, for the performance of appraisals in connection with such mortgages, only appraisers selected in the manner provided under paragraph (1)(C).'; and

(B) in subparagraph (C), by striking `In conducting an appraisal' and inserting the following: `In cases of conducting a limited number of appraisals within a limited rural area'.

Source: <http://thomas.loc.gov/cgi-bin/query/z?c110:H.R.1723>: