

H.R. 3619, Appraisal Fee Transparency Act of 2019

As passed by the House of Representatives on September 19, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	0	1	2
Revenues	0	1	2
Deficit Effect	0	*	*
Spending Subject to Appropriation (Outlays)	0	*	not estimated
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	Yes, Under Threshold
		Contains private-sector mandate?	Yes, Under Threshold
* = between -\$500,000 and \$500,000.			

H.R. 3619 would authorize the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council to change annual registry fees paid by appraisal management companies— independent entities that supply appraisal services to mortgage lenders. (The ASC oversees states’ licensing and certification of real estate appraisers and appraisal management companies.) The act would require the ASC to maintain a national registry of trainee appraisers and require states to collect a registry fee from those trainees. H.R. 3619 also would require the Consumer Financial Protection Bureau (CFPB) to provide information about appraisal fees on standard mortgage disclosure forms and to add information about appraisal fees to its Integrated Disclosure Rule forms. Finally, the act would place a representative of the Department of Veteran Affairs on the ASC.

Using information from the ASC, CBO estimates that the states would collect \$200,000 a year, or \$2 million over the 2020-2029 period, from trainee appraisers and would then transfer those funds to the Treasury. (Those transfers from the states would be recorded on the federal budget as revenues.) The ASC is authorized to spend those receipts without further appropriation to support its activities, which include making grants to state appraisal agencies. CBO estimates that the net effect on the deficit would be insignificant because the ASC would probably spend those receipts soon after they became available. Using information from the CFPB, CBO estimates that the agency would spend less than \$500,000 to issue final rules to change its disclosure forms in 2020.

Based on the cost of similar activities, CBO estimates that it would cost the Department of Veterans Affairs less than \$500,000 over the 2020-2024 period to join the ASC. Such spending would be subject to the availability of appropriated funds.

H.R. 3619 contains private-sector and intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the cost of the mandates would fall below UMRA's intergovernmental and private-sector thresholds of \$164 million and \$82 million, respectively, in 2019 (adjusted annually for inflation).

Under the act, states would be required to furnish the ASC with a roster of licensed and credentialed trainee appraisers and collect registry fees from them. Because states already collect such information and have the ability to collect the new fees, CBO estimates that the incremental cost of the intergovernmental mandate would be small.

The new registry fee would impose a private-sector mandate on trainee appraisers. Using information from the ASC, CBO estimates that the total cost of the mandate would be about \$200,000 annually.

H.R. 3619 also would require appraisal management companies to itemize appraisal fees in mortgage loan documents. CBO estimates that the cost of the mandate (primarily for administrative activities), would be small because those companies already collect the fee information to be disclosed, and because a number of states already require such itemization.

The CBO staff contacts for this estimate are David Hughes (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.