

119TH CONGRESS
2D SESSION

S. 4218

To amend title 38, United States Code, to address appraisal fees for housing loans guaranteed by the Department of Veterans Affairs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 26, 2026

Ms. DUCKWORTH (for herself, Mr. SHEEHY, and Mr. BANKS) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to address appraisal fees for housing loans guaranteed by the Department of Veterans Affairs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “VA Appraisal Mod-
5 ernization Act”.

1 **SEC. 2. APPRAISAL FEES FOR DEPARTMENT OF VETERANS**
 2 **AFFAIRS HOME LOANS.**

3 (a) IN GENERAL.—Chapter 37 of title 38, United
 4 States Code, is amended by inserting after section 3731
 5 the following new section:

6 **“§ 3731A. Appraisal fees**

7 “(a) DEFINITIONS.—In this section:

8 “(1) APPRAISAL FEE.—The term ‘appraisal fee’
 9 means the compensation paid to an appraiser for
 10 conducting an appraisal of property in connection
 11 with a loan guaranteed, insured, or made under this
 12 chapter.

13 “(2) HIGH-DEMAND COUNTY.—The term ‘high-
 14 demand county’ means a county designated as a
 15 high-demand county under subsection (c).

16 “(3) REMOTE COUNTY.—The term ‘remote
 17 county’ means a county designated as a remote
 18 county under subsection (c).

19 “(b) ANNUAL INFLATION ADJUSTMENT.—

20 “(1) BASELINE.—Not later than 180 days after
 21 the date of the enactment of the VA Appraisal Mod-
 22 ernization Act, the Secretary shall establish ap-
 23 praisal fees for purposes of this chapter.

24 “(2) ADJUSTMENT.—On January 1, 2027, and
 25 annually thereafter, the Secretary shall adjust the
 26 appraisal fees established under paragraph (1) to re-

1 flect the percentage of the increase, if any, in the
 2 purchase price of homes during the previous year, as
 3 determined by the quarterly purchase-only House
 4 Price Index published by the Federal Housing Fi-
 5 nance Agency, rounded to the nearest \$25.

6 “(3) PUBLICATION; NOTICE.—The Secretary
 7 shall—

8 “(A) publish the appraisal fees established
 9 under this subsection on the publicly available
 10 website of the Department of Veterans Affairs;
 11 and

12 “(B) directly notify the appraisers on the
 13 list developed and maintained under section
 14 3731(a)(3) of this title of such fees.

15 “(c) DESIGNATION OF HIGH-DEMAND COUNTIES
 16 AND REMOTE COUNTIES.—

17 “(1) HIGH-DEMAND COUNTIES.—

18 “(A) IN GENERAL.—The Secretary shall
 19 designate a county as a high-demand county for
 20 purposes of this section if—

21 “(i) during the 90-day period pre-
 22 ceding the date on which the designation is
 23 made—

24 “(I) the average time to complete
 25 an appraisal in the county exceeded

1 the timeliness standard established
2 under section 3731 of this title by
3 more than three business days; or

4 “(II) more than 15 percent of
5 appraisal assignments in the county
6 were unassigned for five or more busi-
7 ness days due to insufficient appraiser
8 availability; or

9 “(ii) the Secretary determines, based
10 on data analysis and market conditions,
11 that demand for appraisals in the county
12 substantially exceeds available appraiser
13 capacity.

14 “(B) LIST; UPDATES.—The Secretary
15 shall—

16 “(i) maintain a list of high-demand
17 counties designated under subparagraph
18 (A); and

19 “(ii) on a quarterly basis, review and
20 update such list.

21 “(2) REMOTE COUNTIES.—

22 “(A) IN GENERAL.—The Secretary shall
23 designate a county as a remote county for pur-
24 poses of this section if—

1 “(i) there are fewer than five apprais-
2 ers on the list developed and maintained
3 under section 3731(a)(3) of this title with-
4 in 30 miles of the county’s geographic cen-
5 ter;

6 “(ii) the average distance traveled by
7 an appraiser to complete an assignment in
8 the county is greater than 40 miles one
9 way; or

10 “(iii) the Secretary determines that
11 the county is characterized by low ap-
12 praiser density relative to loan volume.

13 “(B) LIST; UPDATES.—The Secretary
14 shall—

15 “(i) maintain a list of remote counties
16 designated under subparagraph (A); and

17 “(ii) on a quarterly basis, review and
18 update such list.

19 “(d) APPRAISAL FEES IN HIGH-DEMAND COUN-
20 TIES.—

21 “(1) IN GENERAL.—On January 1, 2027, and
22 annually thereafter, the Secretary shall increase the
23 appraisal fee for appraisals made in high-demand
24 counties to not less than 125 percent of the ap-
25 praisal fee established under subsection (b).

1 “(2) INCREASE.—In carrying out paragraph
 2 (1), the Secretary may increase the appraisal fee for
 3 appraisals made in a high-demand county to not
 4 more than 150 percent of the appraisal fee estab-
 5 lished under subsection (b) if the county has been
 6 designated as a high-demand county for four quar-
 7 ters or more.

8 “(e) MILEAGE REIMBURSEMENT.—

9 “(1) IN GENERAL.—For any appraisal made for
 10 purposes of this chapter in a high-demand county or
 11 remote county, the Secretary shall reimburse the ap-
 12 praiser for mileage at the rate prescribed by the Ad-
 13 ministrator of General Services under section
 14 5707(b) of title 5 for use on official business of pri-
 15 vately owned automobiles.

16 “(2) MILEAGE.—In this subsection, the term
 17 ‘mileage’ means the round trip distance in miles be-
 18 tween the appraiser’s place of business and the sub-
 19 ject property.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
 21 at the beginning of such chapter is amended by inserting
 22 after the item relating to section 3731 the following new
 23 item:

“3731A. Appraisal fees.”.

1 **SEC. 3. REPORT AND STUDY.**

2 (a) REPORT.—Not later than 180 days after the date
3 of the enactment of this Act, the Secretary of Veterans
4 Affairs shall submit to the Committee on Finance of the
5 Senate and the Committee on Ways and Means of the
6 House of Representatives a report that includes the fol-
7 lowing:

8 (1) An estimation of—

9 (A) the effects of section 3731A of title 38,
10 United States Code, as added by section 2, on
11 government expenditures over time;

12 (B) the impact of such section on the num-
13 ber of appraisers who join the appraisal net-
14 work of the Department of Veterans Affairs;

15 (C) the impact of such section on comple-
16 tion times for appraisals in high-demand coun-
17 ties; and

18 (D) the impact of such section on the use
19 of housing loans guaranteed, insured, or made
20 under chapter 37 of title 38, United States
21 Code.

22 (2) Recommendations to prevent fraud, waste,
23 and abuse in the implementation of such section.

24 (b) STUDY.—Not later than 180 days after the date
25 of the enactment of this Act, the Secretary of Veterans
26 Affairs shall—

1 (1) conduct on a study on the feasibility and
2 advisability of—

3 (A) procuring contracts for home apprais-
4 ers in areas where supply cannot meet demand;
5 and

6 (B) restructuring the appraisal process of
7 the Department of Veterans Affairs to more
8 closely mirror the appraisal process for loans
9 insured by the Federal Housing Administration;
10 and

11 (2) submit to Congress, and make publicly
12 available, a report on the results of such study.

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