

actions involving institutions for which the agency is the primary Federal regulator with respect to real property located within a disaster area if the agency—

- (1) makes the exception not later than 30 months after the date on which the President determines, pursuant to section 5170 of title 42, that a major disaster exists in the area; and
- (2) determines that the exception—
  - (A) would facilitate recovery from the major disaster; and
  - (B) is consistent with safety and soundness.

**(b) 3-year limit on exceptions**

Any exception made under this section shall expire not later than 3 years after the date of the determination referred to in subsection (a)(1).

**(c) Publication required**

Any Federal financial institutions regulatory agency shall publish in the Federal Register a statement that—

- (1) describes any exception made under this section; and
- (2) explains how the exception—
  - (A) would facilitate recovery from the major disaster; and
  - (B) is consistent with safety and soundness.

**(d) "Disaster area" defined**

For purposes of this section, the term "disaster area" means an area in which the President, pursuant to section 5170 of title 42, has determined that a major disaster exists.

(Pub. L. 101-73, title XI, § 1123, as added Pub. L. 102-485, § 2, Oct. 23, 1992, 106 Stat. 2771.)

**§ 3353. Appraisal management company minimum requirements**

**(a) In general**

The Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration Board, the Federal Housing Finance Agency, and the Bureau of Consumer Financial Protection shall jointly, by rule, establish minimum requirements to be applied by a State in the registration of appraisal management companies. Such requirements shall include a requirement that such companies—

- (1) register with and be subject to supervision by a State appraiser certifying and licensing agency in each State in which such company operates;
- (2) verify that only licensed or certified appraisers are used for federally related transactions;
- (3) require that appraisals coordinated by an appraisal management company comply with the Uniform Standards of Professional Appraisal Practice; and
- (4) require that appraisals are conducted independently and free from inappropriate influence and coercion pursuant to the appraisal independence standards established under section 1639e of title 15.

**(b) Relation to State law**

Nothing in this section shall be construed to prevent States from establishing requirements

in addition to any rules promulgated under subsection (a).

**(c) Federally regulated financial institutions**

The requirements of subsection (a) shall apply to an appraisal management company that is a subsidiary owned and controlled by a financial institution and regulated by a Federal financial institution regulatory agency. An appraisal management company that is a subsidiary owned and controlled by a financial institution regulated by a Federal financial institution regulatory agency shall not be required to register with a State.

**(d) Registration limitations**

An appraisal management company shall not be registered by a State or included on the national registry if such company, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State. Additionally, each person that owns more than 10 percent of an appraisal management company shall be of good moral character, as determined by the State appraiser certifying and licensing agency, and shall submit to a background investigation carried out by the State appraiser certifying and licensing agency.

**(e) Reporting**

The Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration Board, the Federal Housing Finance Agency, and the Bureau of Consumer Financial Protection shall jointly promulgate regulations for the reporting of the activities of appraisal management companies to the Appraisal Subcommittee in determining the payment of the annual registry fee.

**(f) Effective date**

**(1) In general**

No appraisal management company may perform services related to a federally related transaction in a State after the date that is 36 months after the date on which the regulations required to be prescribed under subsection (a) are prescribed in final form unless such company is registered with such State or subject to oversight by a Federal financial institutions regulatory agency.

**(2) Extension of effective date**

Subject to the approval of the Council, the Appraisal Subcommittee may extend by an additional 12 months the requirements for the registration and supervision of appraisal management companies if it makes a written finding that a State has made substantial progress in establishing a State appraisal management company registration and supervision system that appears to conform with the provisions of this chapter.

(Pub. L. 101-73, title XI, § 1124, as added Pub. L. 111-203, title XIV, § 1473(f)(2), July 21, 2010, 124 Stat. 2192.)

**Statutory Notes and Related Subsidiaries****EFFECTIVE DATE**

Section effective on the date on which final regulations implementing such section take effect, or on the date that is 18 months after the designated transfer date if such regulations have not been issued by that date, see section 1400(c) of Pub. L. 111-203, set out as an Effective Date of 2010 Amendment note under section 1601 of Title 15, Commerce and Trade.

**§ 3354. Automated valuation models used to estimate collateral value for mortgage lending purposes****(a) In general**

Automated valuation models shall adhere to quality control standards designed to—

- (1) ensure a high level of confidence in the estimates produced by automated valuation models;
- (2) protect against the manipulation of data;
- (3) seek to avoid conflicts of interest;
- (4) require random sample testing and reviews; and
- (5) account for any other such factor that the agencies listed in subsection (b) determine to be appropriate.

**(b) Adoption of regulations**

The Board, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration Board, the Federal Housing Finance Agency, and the Bureau of Consumer Financial Protection, in consultation with the staff of the Appraisal Subcommittee and the Appraisal Standards Board of the Appraisal Foundation, shall promulgate regulations to implement the quality control standards required under this section.

**(c) Enforcement**

Compliance with regulations issued under this subsection shall be enforced by—

- (1) with respect to a financial institution, or subsidiary owned and controlled by a financial institution and regulated by a Federal financial institution regulatory agency, the Federal financial institution regulatory agency that acts as the primary Federal supervisor of such financial institution or subsidiary; and
- (2) with respect to other participants in the market for appraisals of 1-to-4 unit single family residential real estate, the Federal Trade Commission, the Bureau of Consumer Financial Protection, and a State attorney general.

**(d) Automated valuation model defined**

For purposes of this section, the term “automated valuation model” means any computerized model used by mortgage originators and secondary market issuers to determine the collateral worth of a mortgage secured by a consumer’s principal dwelling.

(Pub. L. 101-73, title XI, § 1125, as added Pub. L. 111-203, title XIV, § 1473(q), July 21, 2010, 124 Stat. 2198.)

**Statutory Notes and Related Subsidiaries****EFFECTIVE DATE**

Section effective on the date on which final regulations implementing such section take effect, or on the

date that is 18 months after the designated transfer date if such regulations have not been issued by that date, see section 1400(c) of Pub. L. 111-203, set out as an Effective Date of 2010 Amendment note under section 1601 of Title 15, Commerce and Trade.

**§ 3355. Broker price opinions****(a) General prohibition**

In conjunction with the purchase of a consumer’s principal dwelling, broker price opinions may not be used as the primary basis to determine the value of a piece of property for the purpose of a loan origination of a residential mortgage loan secured by such piece of property.

**(b) Broker price opinion defined**

For purposes of this section, the term “broker price opinion” means an estimate prepared by a real estate broker, agent, or sales person that details the probable selling price of a particular piece of real estate property and provides a varying level of detail about the property’s condition, market, and neighborhood, and information on comparable sales, but does not include an automated valuation model, as defined in section 3354(c)<sup>1</sup> of this title.

(Pub. L. 101-73, title XI, § 1126, as added Pub. L. 111-203, title XIV, § 1473(r), July 21, 2010, 124 Stat. 2198.)

**Editorial Notes****REFERENCES IN TEXT**

Section 3354(c) of this title, referred to in subsec. (b), probably means section 3354(d) of this title, which defines “automated valuation model”.

**Statutory Notes and Related Subsidiaries****EFFECTIVE DATE**

Section effective on the date on which final regulations implementing such section take effect, or on the date that is 18 months after the designated transfer date if such regulations have not been issued by that date, see section 1400(c) of Pub. L. 111-203, set out as an Effective Date of 2010 Amendment note under section 1601 of Title 15, Commerce and Trade.

**§ 3356. Exemption from appraisals of real estate located in rural areas****(a) Definitions**

In this section—

- (1) the term “mortgage originator” has the meaning given the term in section 1602 of title 15; and
- (2) the term “transaction value” means the amount of a loan or extension of credit, including a loan or extension of credit that is part of a pool of loans or extensions of credit.

**(b) Appraisal not required**

Except as provided in subsection (d), notwithstanding any other provision of law, an appraisal in connection with a federally related transaction involving real property or an interest in real property is not required if—

- (1) the real property or interest in real property is located in a rural area, as described in

<sup>1</sup> See References in Text note below.