

Streamlining Appraiser Licensing

Appraisal Institute Concerns

The Federal regulatory structure for real estate appraisal essentially has remained untouched since the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"). In the intervening years, the marketplace has changed, and technological advancements have occurred.

Appraisal remains one of the most highly regulated professions in the United States, impacting not just mortgage-related appraisals, but appraisers practicing in litigation, tax and financial reporting services, advisory and other valuation services. Increased burden on the valuation profession increases costs, limits quality appraiser accessibility, and creates delays for appraisals.

Appraisers often work in many states and are faced with increasing regulatory obligations, including state-by-state background checks, even for obtaining reciprocal licenses. Increased regulatory burden is often cited as a top reason for appraisers leaving the profession, while new appraisers face a patchwork of state regulations that beg for action to improve the appraisal business and regulatory environment.

Portal for Appraisal Licensing Act

The Portal for Appraisal Licensing Act of 2025 ("PAL Act"), was introduced in the U.S. House of Representatives by Rep. Barry Loudermilk (R-GA), Rep. David Kustoff (R-TN), Rep. Scott Fitzgerald (R-WI), Rep. Dan Meuser (R-PA), Rep. Brittney Pettersen (D-CO), Rep. Joe Neguse (D-CO), and Rep. Susie Lee (D-NV). The bipartisan legislation modernizes the real estate appraisal licensing system by establishing the Portal for Appraisal Licensure, a "cloud-based" nationwide licensing system for real estate appraisers, like regulatory structures enacted in other industries, such as insurance and mortgage originators.

The PAL Act authorizes the Appraisal Subcommittee – a federal agency – to partner with state appraiser regulatory agencies to streamline and modernize the licensing system. Specifically, the PAL Act would:

- Create a unified application platform for initial licensure, renewals, and reciprocity.
- Establish consistent procedures across states for:
 - Continuing education renewal periods for certified and licensed appraisers.
 - Conducting a single, common background check for states that require one.
- Enhance data sharing among state agencies, reducing duplication and delays.
- Provide real-time license status updates for both appraisers and regulators.
- Ensure stakeholder input is built into the platform's design, guaranteeing usability and effectiveness.
- Allow appraisers who do not want to participate to opt-out.

The PAL Act is an opportunity to fix a costly and inefficient system, lower costs and improve the attractiveness of the profession.

Contact Ashleigh Padgett at ashleigh.padgett@mail.house.gov to co-sponsor.

