117TH CONGRESS
2D SESSION
H. R. _____

To provide for accurate energy appraisals in connection with residential mortgage loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. PERLMUTTER introduced the following bill; which was referred to the Committee on __________________

A BILL

To provide for accurate energy appraisals in connection with residential mortgage loans, and for other purposes.

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 “Getting Renewable and Energy Efficient Neighborhoods Appraisals Act of 2022” or the “GREEN Appraisals Act of 2022”.

(Original Signature of Member)
SEC. 2. GETTING RENEWABLE AND ENERGY EFFICIENT NEIGHBORHOODS ACCURATE ENERGY APPRAISALS.

(a) DISCLOSURE.—The head of each covered agency shall require that any creditor to which an application for a covered loan is made shall provide to the borrower, on the same date that the creditor delivers or places in the mail the disclosures described under section 1026.19(e)(1)(iii)(A) of title 12, Code of Federal Regulations, for such loan, a written disclosure that includes the following:

(1) A statement that the prospective borrower or current homeowner may provide an energy report, or any information in such report, regarding the property subject to the covered loan to the creditor or to a qualified appraiser or other interested party for consideration during a home appraisal or application for a covered loan.

(2) A statement that the prospective borrower under the covered loan has the right to request an energy report regarding the property subject to the covered loan.

(3) A statement that, in developing an appraisal in connection with such covered loan—

(A) a qualified appraiser will take the information in the report into consideration; and
(B) the appraisers’ final opinion of the value of the property may be higher, lower, or no different than if the energy report had not been available for the appraiser to review.

(4) A statement that, as with any other data considered by the appraiser that affects the appraiser’s opinion of the value of a property, consideration of such data may help or hurt the ability of the prospective borrower to obtain a covered loan.

(b) REQUIRED ANALYSIS.—In connection with a covered loan, the creditor under such loan shall, in underwriting the loan, use the appraised value of the subject property value as determined by a qualified appraiser. The consideration of an energy report by the qualified appraiser may not be used as a basis to reject a home appraisal or application for a covered loan.

(c) CONSIDERATION OF ENERGY CHARACTERISTICS.—On and after March 1, 2024, the head of each covered agency shall require, with respect to any covered loan for a property for which an energy report is available, that upon the prospective borrower’s consent the creditor shall provide the appraiser with the energy report when the appraiser receives the assignment, and any underwriting or verification systems used by the creditor shall accommo-
date any appraisal that takes the energy report into consideration.

(d) Consideration of Information.—A qualified appraiser to whom an energy report is provided in connection with a covered loan shall take the information in such report into consideration when developing an appraised value of the property. In developing the appraised value of the property, the qualified appraiser shall take into consideration—

(1) the energy efficiency characteristics of the property for which the report was prepared, any renewable energy related features of such property, estimated energy savings for such property, the energy consumption for such property relative to comparable homes, or any one or more of such items;

(2) whether such characteristics of the property are relevant to the market value of the property; and

(3) any additional information, as determined by the relevant head of a covered agency.

(e) Portability.—Upon the request of a prospective borrower under a covered loan, the creditor shall provide a copy of an energy report with respect to the property, at no cost, to the prospective borrower.

(f) Guidance.—
(1) IN GENERAL.—The heads of the covered agencies, after consultation with the advisory committee established pursuant to paragraph (2), shall jointly prescribe guidance for creditors to implement this section which—

(A) shall confirm the acceptance, by each of the covered agencies, of all applicable approaches to value utilized by appraisers to demonstrate market reaction to energy efficiency and renewable energy;

(B) shall set forth procedures for consumer disclosures, the preparation and sharing of energy reports, and the provision of the reports to qualified appraisers; and

(C) shall not provide for how an appraiser shall consider information in an energy report.

(2) ADVISORY COMMITTEE.—The heads of the covered agencies shall jointly establish an advisory committee of stakeholders to advise the heads of the covered agencies in carrying out this section, which shall consist of representatives of housing advocates, energy efficiency and renewable energy organizations, energy raters, home builders, architects, single-family mortgage creditors, consumer advocates, appraisers, and other interested groups.
(3) **SYSTEMS REQUIREMENTS.**—Not later than the expiration of the 2-year period beginning on the date of the enactment of this Act, the heads of the covered agencies shall jointly require a creditor originating a covered loan for which an energy report is prepared under this section to use origination and underwriting systems that review, score, or rate appraisals in a manner consistent with the creditor guidance issued pursuant to paragraph (1).

(g) **DEFINITIONS.**—In this section:

(1) **COVERED AGENCY.**—The term “covered agency” means—

(A) the Federal Housing Administration of the Department of Housing and Urban Development;

(B) the Federal Housing Finance Agency, to the extent that such Agency oversees and regulates the enterprises, as such term is defined in section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4502); except that any requirement imposed by this section on such Agency or the Director of such Agency shall be treated as a requirement with respect to the Federal National Mortgage Association and the
Federal Home Loan Mortgage Corporation, to
be imposed and enforced pursuant to the au-
thority of such Director and Agency to super-
vise and regulate such enterprises;

(C) the Government National Mortgage
Association;

(D) the Rural Housing Service of the De-
partment of Agriculture

(E) the Department of Veterans Affairs.

(2) COVERED LOAN.—The term “covered loan”
means a residential mortgage loan (as such term is
defined in section 103 of the Truth in Lending Act
(15 U.S.C. 1602)) that is made, insured, purchased,
guaranteed, or securitized by a covered agency or in-
tended to be purchased, guaranteed, or securitized
by a covered agency.

(3) CREDITOR.—The term “creditor” has the
meaning given such term in section 103 of the

(4) ENERGY REPORT.—The term “energy re-
port” means, with respect to a property, an analysis
that—

(A)(i) details the energy-related features in
the home;
(ii) estimates the expected energy costs or energy savings specific to the property, or both, based on specific information about the property; or

(iii) complies with both clauses (i) and (ii);

(B) estimates the expected energy generated from installed renewable energy features; and

(C) is conducted—

(i) in accordance with the guidance issued under this section;

(ii) in accordance with HERS by an individual certified by the Residential Energy Service Network, unless the Secretary finds that the use of HERS does not further the purposes of this section;

(iii) by the Department of Energy’s Home Energy Score; or

(iv) by other methods approved by the Secretary, in consultation with the Secretary of Energy and the advisory committee established pursuant to subsection (f)(2), for use under this section, which shall include a quality assurance procedure
approved by the Secretary, in consultation
with the Secretary of Energy.

(5) **HERS.**—The term “HERS” means the
Home Energy Rating System of the Residential En-
ergy Service Network.

(6) **QUALIFIED APPRAISER.**—The term “quali-
fied appraiser” means an appraiser who, with re-
spect to the assignment to conduct an appraisal—

(A) is licensed, qualified, or certified to
conduct an appraisal in the State in which the
property is located;

(B) has completed 7 or more hours of con-
tinuing education on valuing energy measures
and on understanding the contents of energy
reports; and

(C) is, at the time of agreeing to perform
the assignment, competent to perform the as-

signment.