

118TH CONGRESS  
2D SESSION

# S. 4340

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

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IN THE SENATE OF THE UNITED STATES

MAY 15, 2024

Mr. BENNET introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To provide for accurate energy appraisals in connection with residential mortgage loans, 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 “Getting Renewable and  
5 Energy Efficient Neighborhoods Appraisals Act of 2024”  
6 or the “GREEN Appraisals Act of 2024”.

1 **SEC. 2. GETTING RENEWABLE AND ENERGY EFFICIENT**  
2 **NEIGHBORHOODS ACCURATE ENERGY AP-**  
3 **PRAISALS.**

4 (a) DISCLOSURE.—The head of each covered agency  
5 shall require that any creditor to which an application for  
6 a covered loan is made shall provide to the borrower, on  
7 the same date that the creditor delivers or places in the  
8 mail the disclosures described under section  
9 1026.19(e)(1)(iii)(A) of title 12, Code of Federal Regula-  
10 tions, for such loan, a written disclosure that includes the  
11 following:

12 (1) A statement that the prospective borrower  
13 or current homeowner may provide an energy report,  
14 or any information in such report, regarding the  
15 property subject to the covered loan to the creditor  
16 or to a qualified appraiser or other interested party  
17 for consideration during a home appraisal or appli-  
18 cation for a covered loan.

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

23 (3) A statement that, in developing an ap-  
24 praisal in connection with such covered loan—

25 (A) a qualified appraiser will take the in-  
26 formation in the report into consideration; and

1 (B) the appraisers' final opinion of the  
2 value of the property may be higher, lower, or  
3 no different than if the energy report had not  
4 been available for the appraiser to review.

5 (4) A statement that, as with any other data  
6 considered by the appraiser that affects the apprais-  
7 er's opinion of the value of a property, consideration  
8 of such data may help or hurt the ability of the pro-  
9 spective borrower to obtain a covered loan.

10 (b) REQUIRED ANALYSIS.—In connection with a cov-  
11 ered loan, the creditor under such loan shall, in under-  
12 writing the loan, use the appraised value of the subject  
13 property value as determined by a qualified appraiser. The  
14 consideration of an energy report by the qualified ap-  
15 praiser may not be used as a basis to reject a home ap-  
16 praisal or application for a covered loan.

17 (c) CONSIDERATION OF ENERGY CHARACTERIS-  
18 TICS.—On and after March 1, 2026, the head of each cov-  
19 ered agency shall require, with respect to any covered loan  
20 for a property for which an energy report is available, that  
21 upon the prospective borrower's consent the creditor shall  
22 provide the appraiser with the energy report when the ap-  
23 praiser receives the assignment, and any underwriting or  
24 verification systems used by the creditor shall accommo-

1 date any appraisal that takes the energy report into con-  
2 sideration.

3 (d) CONSIDERATION OF INFORMATION.—A qualified  
4 appraiser to whom an energy report is provided in connec-  
5 tion with a covered loan shall take the information in such  
6 report into consideration when developing an appraised  
7 value of the property. In developing the appraised value  
8 of the property, the qualified appraiser shall take into con-  
9 sideration—

10 (1) the energy efficiency characteristics of the  
11 property for which the report was prepared, any re-  
12 newable energy related features of such property, es-  
13 timated energy savings for such property, the energy  
14 consumption for such property relative to com-  
15 parable homes, or any one or more of such items;

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

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

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

24 (f) GUIDANCE.—

1           (1) IN GENERAL.—The heads of the covered  
2 agencies, after consultation with the advisory com-  
3 mittee established pursuant to paragraph (2), shall  
4 jointly prescribe guidance for creditors to implement  
5 this section which—

6           (A) shall confirm the acceptance, by each  
7 of the covered agencies, of all applicable ap-  
8 proaches to value utilized by appraisers to dem-  
9 onstrate market reaction to energy efficiency  
10 and renewable energy;

11           (B) shall set forth procedures for consumer  
12 disclosures, the preparation and sharing of en-  
13 ergy reports, and the provision of the reports to  
14 qualified appraisers; and

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

17           (2) ADVISORY COMMITTEE.—The heads of the  
18 covered agencies shall jointly establish an advisory  
19 committee of stakeholders to advise the heads of the  
20 covered agencies in carrying out this section, which  
21 shall consist of representatives of housing advocates,  
22 energy efficiency and renewable energy organiza-  
23 tions, energy raters, home builders, architects, sin-  
24 gle-family mortgage creditors, consumer advocates,  
25 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

1 Federal Home Loan Mortgage Corporation, to  
2 be imposed and enforced pursuant to the au-  
3 thority of such Director and Agency to super-  
4 vise and regulate such enterprises;

5 (C) the Government National Mortgage  
6 Association;

7 (D) the Rural Housing Service of the De-  
8 partment of Agriculture; and

9 (E) the Department of Veterans Affairs.

10 (2) COVERED LOAN.—The term “covered loan”  
11 means a residential mortgage loan (as such term is  
12 defined in section 103 of the Truth in Lending Act  
13 (15 U.S.C. 1602)) that is made, insured, purchased,  
14 guaranteed, or securitized by a covered agency or in-  
15 tended to be purchased, guaranteed, or securitized  
16 by a covered agency.

17 (3) CREDITOR.—The term “creditor” has the  
18 meaning given such term in section 103 of the  
19 Truth in Lending Act (15 U.S.C. 1602).

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

23 (A)(i) details the energy-related features in  
24 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



1 approved by the Secretary, in consultation  
2 with the Secretary of Energy.

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

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

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

12 (B) has completed a course of 7 or more  
13 hours of continuing education on the consider-  
14 ation of energy reports in the appraisal process  
15 that—

16 (i) includes case studies;

17 (ii) includes an examination, which  
18 the appraiser has passed; and

19 (iii) was submitted to, and approved  
20 by, the Appraiser Qualifications Board of  
21 the Appraisal Foundation through its  
22 Course Approval Program; and

1                   (C) is, at the time of agreeing to perform  
2                   the assignment, competent to perform the as-  
3                   signment.

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