



April 21, 2026

General Counsel Division  
Attn: Rule Comments  
Office of the Attorney General  
P.O. Box 12548  
Austin, Texas 78711-2548

To Whom It May Concern:

I am writing as President of the Foundation Appraisers Coalition of Texas (FACT) to comment on the proposed new Chapter 67 in Title 1, Part 3 of the Texas Administrative Code (TAC), relating to foreign ownership enforcement, pursuant to Senate Bill 17 as passed by the 89<sup>th</sup> Texas Legislature, as published in the March 27, 2026 edition of the *Texas Register*. FACT appreciates the opportunity to comment.

As drafted, the proposed rules include real estate appraisers among newly-defined “facilitating entities,” and impose a new obligation to submit a complaint to the Office of the Attorney General (OAG) if the appraiser “knows or should have known, after reasonable due diligence, that a purchase or acquisition of an interest in real property in this State violates Subchapter H, Chapter 5, Texas Property Code”.

FACT is aligned with the goal of S.B. 17 in protecting Texas real property from being acquired and owned by hostile foreign interests. Nonetheless, the current rules may place an unnecessary burden of additional work and liability on appraisers, depending on the definition and interpretation of the “due diligence” requirement. For this reason, FACT would encourage additional specificity regarding what constitutes “reasonable due diligence” on the part of an appraiser.

Appraisers in Texas and elsewhere in the United States are subject to the *Uniform Standards of Professional Appraisal Practice* (USPAP), which encapsulate the generally recognized ethical and performance standards for the appraisal profession. Authorized by the U.S. Congress in 1989, USPAP contains standards for appraisal disciplines, including real estate, personal property, business valuation, and mass appraisal. Compliance with USPAP is required for state-licensed and state-certified appraisers who perform appraisals for federally-related real estate transactions, and are referenced by federal financial institution regulatory agencies when implementing Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA).

Presently, appraisers may or may not be privy to the name of a buyer of real estate and may be subject to privacy provisions under USPAP guidelines. In fact, appraisers are usually isolated from the buyer and seller in a transaction by design to avoid potential bias and conflict of interest. Even in cases where the name of the purchaser is evident, it may not be immediately apparent if a corporate interest has a nexus with one of the foreign governments that are the subject of the legislation, or in the case of an individual buyer, what the legal or immigration status of that person may be.

FACT is concerned that the new obligations under proposed new Chapter 67 would prevent compliance with non-discrimination requirements under USPAP. Under the current paradigm, appraisers through their normal course of business would likely not ask for immigration status or dive deeply through corporate filings to determine who is the true owner of a corporate entity, which may in fact be very challenging to determine. Appraisers are not title experts nor immigration authorities, and imposing such new obligations on appraisers would constitute significant additional administrative burden.



FACT is concerned that OAG may conclude that an appraiser complying with USPAP and their normal course of business would violate the “reasonable due diligence” requirement proposed under the rule. Moreover, FACT would raise the concern about whether appraiser professional liability insurance and E&O insurance as presently underwritten would cover claims related to S.B. 17 rule enforcement.

FACT would respectfully suggest that because appraisers are typically not privy to purchaser information, the OAG should consider removing appraiser from the definition of “facilitating entity” under the proposed rules. Additionally, your office may want to consider an approach to determining whether a transaction violated Subchapter H, Chapter 5, Texas Property Code by developing and requiring a disclosure or affidavit to be signed at the time of contract execution and/or at closing, which declares the parties are not associated with hostile foreign governments.

Thank you for your attention to these concerns. FACT and the Texas appraisal industry appreciate the opportunity to comment and would welcome further dialogue on how to achieve the worthy goals of S.B. 17 without imposing additional burdens on the Texas appraisal industry.

Sincerely,

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