

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: April 12, 2013

FROM: Office of General Counsel and
Office of Examination and Insurance

SUBJ: Proposed Rule – Appraisals for
Higher-Priced Mortgage Loans
Supplemental Proposal, 12 CFR part 1026

ACTION REQUESTED: Public briefing on forthcoming interagency proposed rule regarding the appraisals for higher-priced mortgage loans supplemental proposal.

DATE ACTION REQUESTED: May 16, 2013.

OTHER OFFICES CONSULTED: E&I.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: John H. Brolin and Pamela Yu, Staff Attorneys, or Frank Kressman, Associate General Counsel, Office of General Counsel; or Vincent Vieten, Program Officer, Office of Examination and Insurance.

SUMMARY: The NCUA, Board of Governors of the Federal Reserve System; Bureau of Consumer Financial Protection; Federal Deposit Insurance Corporation; Federal Housing Finance Agency; and Office of the Comptroller of the Currency, Treasury (collectively, the Agencies) are proposing to amend Regulation Z, which implements the Truth in Lending Act (TILA), and the official interpretation to the regulation. This proposal is related to a final rule issued by the Agencies on January 18, 2013 (2013 Interagency Appraisals Final Rule or Final Rule), which goes into effect on January 18, 2014. *See* 78 FR 10368 (Feb. 13, 2013). For mortgages with an annual percentage rate that exceeds the average prime offer rate by a specified percentage, the Final Rule requires creditors to obtain an appraisal or appraisals meeting certain specified standards, provide applicants with a notification regarding the use of the appraisals, and give applicants a copy of the written appraisals used. The Agencies are now proposing amendments to the Final Rule implementing these requirements; specifically, the Agencies are proposing exemptions from the rules for existing manufactured homes, certain refinancings, and transactions of \$25,000 or less.

RECOMMENDED ACTION: Recommend the Board issue the proposed rule.

ATTACHMENT: Final Rule.