

## BOARD ACTION MEMORANDUM

**TO:** NCUA Board

**DATE:** May 28, 2014

**FROM:** Office of General Counsel

**SUBJ:** Proposed Rule: Appraisals—  
Availability to Applicants and Requirements  
for Transactions Involving an Existing  
Extension of Credit

**ACTION REQUESTED:** NCUA Board approval to publish the attached proposed rule in the *Federal Register* with a 60-day public comment period.

**DATE ACTION REQUESTED:** June 19, 2014.

**OTHER OFFICES CONSULTED:** E&I, Regions, OCP, OCE.

**VIEWS OF OTHER OFFICES CONSULTED:** Concur.

**BUDGET IMPACT, IF ANY:** None.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**RESPONSIBLE STAFF MEMBERS:** John H. Brolin, Staff Attorney, Office of General Counsel.

**SUMMARY:** The proposed rule would revise three of NCUA's regulations. Firstly, the proposal would amend §701.31(c)(5) to eliminate the now duplicative requirement that federal credit unions make available, to any requesting member/applicant, a copy of the appraisal used in connection with that member's application for a loan secured by a first lien on a dwelling. Secondly, the proposed rule would amend §722.3(a)(5) of NCUA's appraisal regulations by expanding the current exemption for certain transactions involving an existing extension of credit. Under the expanded exemption, federally insured credit unions (FICUs) would be able to refinance or modify a real estate-related loan held by the FICU in a declining housing market without having to obtain an additional appraisal. Finally, the proposal would make a minor technical amendment to the definition of the term "application" in §701.31(a)(1).

**RECOMMENDED ACTION:** Recommend the Board approve the proposed rule.

**ATTACHMENT:** Proposed rule.