

## BOARD ACTION MEMORANDUM

**TO:** NCUA Board

**DATE:** December 6, 2013

**FROM:** Office of General Counsel

**SUBJ:** Final Rule: Appraisals for  
Higher-Priced Mortgage Loans, part 1026

**ACTION REQUESTED:** Public briefing on interagency supplemental final rule regarding appraisals for higher-priced mortgage loans.

**DATE ACTION REQUESTED:** December 12, 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. Brodin, Staff Attorney, 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 (collectively, the Agencies) are amending Regulation Z, which implements the Truth in Lending Act (TILA), and the official interpretation to the regulation. This final rule supplements a final rule issued by the Agencies on January 18, 2013 (January 2013 Final Rule), which goes into effect on January 18, 2014. *See* 78 FR 10368 (Feb. 13, 2013).

For certain mortgages with an annual percentage rate that exceeds the average prime offer rate by a specified percentage, the January 2013 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. On July 10, 2013, the Agencies proposed amendments to the January 2013 Final Rule (2013 Supplemental Proposed Rule). Specifically, the Agencies proposed exemptions from the requirements for transactions secured by existing manufactured homes and not land; certain streamlined refinancings; and transactions of \$25,000 or less. This supplemental final rule finalizes provisions of the 2013 Supplemental Proposed Rule, with revisions.

A copy of the supplemental final rule will be posted on the Recent Final Regulations page of the NCUA's website at <http://www.ncua.gov/Legal/Regs/Pages/FIRegulations.aspx>.

**RECOMMENDED ACTION:** Public briefing on interagency final rule, which was already approved by the Board by notation vote.