

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: October 23, 2014

FROM: Office of General Counsel

SUBJ: Final Rule – Appraisals,
Parts 701 and 722

ACTION REQUESTED: Board approval to issue the attached final rule regarding appraisals.

DATE ACTION REQUESTED: December 11, 2014.

OTHER OFFICES CONSULTED: N/A.

VIEWS OF OTHER OFFICES CONSULTED: N/A.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Pamela Yu, Staff Attorney, Office of General Counsel.

SUMMARY: The final rule revises two of NCUA's regulations regarding appraisals. First, the final rule amends §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. Second, it amends §722.3(a)(5) by expanding the current exemption for certain transactions involving an existing extension of credit. Under the expanded exemption, a federally insured credit union (FICU) 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. In addition, the rule makes a minor technical amendment to the definition of the term "application" in §701.31(a)(1).

RECOMMENDED ACTION: Board approval of the attached final rule.

ATTACHMENT: Final rule.