



**TO:** NCUA Board

**DATE:** April 7, 2020

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

**SUBJ:** Final rule: Real Estate  
Appraisals (Part 722)

**ACTION REQUESTED:** NCUA Board approval to issue the attached final rule.

**DATE ACTION REQUESTED:** April 16, 2020.

**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:** Kenneth Acuña, Senior Credit Specialist, Office of Examination and Insurance; Gira Bose, Staff Attorney, Office of General Counsel.

**SUMMARY:** The Board issued a notice of proposed rulemaking with a 60-day comment period in November 2019 regarding proposed amendments to the NCUA's regulation requiring appraisals for certain real estate-related transactions. Based on consideration of the public comments, the final rule increases the threshold level below which appraisals would not be required for residential real estate-related transactions from \$250,000 to \$400,000. Consistent with the requirement for other transactions that fall below applicable appraisal thresholds, federally insured credit unions (FICUs) will be required to obtain written estimates of market value of the real estate collateral that is consistent with safe and sound practices instead of an appraisal. In addition, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the final rule makes a conforming amendment to the NCUA's appraisal regulation to explicitly incorporate the statutory requirement that appraisals be subject to appropriate review for compliance with the Uniform Standards of Professional Appraisal Practice.

**RECOMMENDED ACTION:** The NCUA Board approve the attached final rule for publication in the *Federal Register*.

**ATTACHMENT:** Final Rule.