



August 20, 2014

Mr. Gerard Poliquin  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428

Sent via E-mail to: [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

Re: Cornerstone Credit Union League – Comments on Proposed Rule: Appraisals

Dear Mr. Poliquin:

This letter represents the views of the Cornerstone Credit Union League ["Cornerstone"] regarding the National Credit Union Administration's ["NCUA"] proposed changes to the appraisal rules. Cornerstone is the official trade association serving 557 federal and state credit unions in Arkansas, Oklahoma, and Texas combined, and more than 8.5 million credit union members. Cornerstone appreciates the opportunity to comment on this very important issue.

Cornerstone commends the NCUA on its efforts to ease regulatory burdens. With the CFPB's amendment to Regulation B now requiring free copies of appraisals on loans secured by a first lien on a dwelling, the duplicate requirement under NCUA's regulation at 701.31(c)(5) is unnecessary. Modifying the rule as proposed will eliminate the duplicative appraisal requirements between the two regulations, while maintaining the current consumer protections.

The proposal also exempts transactions from the appraisal requirement under 722.3(a)(5), when a transaction involves an existing extension of credit provided that there is no advancement of new monies (other than those necessary to cover reasonable closing costs), or there has been no a material change in market conditions of physical aspects of the property that threaten the credit union's real estate collateral protect after the transaction, even with the advancement of new monies. This is a welcome change that provides parity between the NCUA and banking regulatory agencies, and also allows credit unions to better assist borrowers when distressed housing market conditions occur.

As discussed in the proposal, obtaining an appraisal can be a lengthy process, and when a loan modification is needed for purposes of assisting a member with a distressed mortgage, time is critical. This change will allow credit unions to better assist members in keeping their homes, and to lower losses to the credit union from foreclosure. These appraisals are almost always paid for by the member, who is already financially distressed at the point of application, and may not be able to bear the cost. Changing this requirement is a win-win for both credit unions and their members.

Lastly, the proposal amends 701.31(a)(1) to change the definition of application, providing a cross-quote to Regulation B's definition rather than a separate definition in the NCUA regulations. This change will provide clarity moving forward, and prevent any potential confusion.

Thank you for the opportunity to comment on this very important issue. Please feel free to contact me at (512) 853-8516 or [syashewski@cornerstoneleague.coop](mailto:syashewski@cornerstoneleague.coop) with any questions you may have.

Sincerely,



Suzanne Yashewski

SVP Regulatory Compliance Counsel

Cornerstone Credit Union League