

August 25, 2014

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

RE: Comments on Notice of Proposed Rule: Appraisals

Dear Gerald Poliquin,

This comment letter represents the views of SAFE Credit Union regarding the National Credit Union Administration (NCUA) Board proposed rule on appraisal requirements.

SAFE Credit Union supports the proposed rule on appraisal requirements to reduce regulatory burdens for our institution, and the resulting increase in costs, which are ultimately passed onto our membership. Specifically SAFE supports the proposed change to eliminate the agency's requirement that federal credit unions provide a copy of an appraisal used in connection with a member's application for any loan secured by a first lien on a dwelling when requested by a member.

Under NCUA's proposal, the agency's appraisal requirements would only apply to loans secured by a junior lien and a copy of the appraisal used in connection with the application would be supplied to the member just when requested by the member. However, federal credit unions would still be subject to the CFPB's requirement under Regulation B that states lenders must provide members with free copies of appraisals and other written evaluations in connection with an application for a loan secured by a first lien, regardless of whether the applicant requests a copy of the appraisal.

In addition, SAFE supports NCUA's proposal to exempt transactions that involve an existing extension of credit from the credit union as long as there is no advance of new monies

(except to cover closing costs) or there has been no material change in market conditions that would threaten the credit union's real estate collateral. SAFE supports this proposed change because we believe it would make NCUA's appraisal rule more consistent with the CFPB's approach under Reg B.

However, SAFE urges the NCUA to provide clarity on two key points: 1) clarify that the

“written estimate of market value” required for exempt transactions be satisfied by an estimated market value based on an automated valuation model (AVM). This change would be consistent with the 2010 Federal Financial Institutions Examination Council’s (FFIEC’s) inter-agency appraisal and evaluation guidelines. 2) Define “no material change in market conditions that would threaten the credit union’s real estate collateral”.

Lastly the proposed rule would make technical amendments to the definition of “application” to align NCUA’s definition with the CFPB’s definition under Regulation B. SAFE believes these technical changes would be important and beneficial to credit unions as we would no longer have to be concerned with two different regulations and promote consistency between the two regulations.

Sincerely,

Phil Carter
AVP RE Lending
SAFE CU

cc: CUNA, CCUL