



National Credit Union Administration
Office of General Counsel

TO: NCUA Board

DATE: November 7, 2019

FROM: Office of General Counsel
Office of Examination and Insurance

SUBJ: Proposed rule: Real Estate
Appraisals (Part 722)

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

DATE ACTION REQUESTED: November 21, 2019

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; Rachel Ackmann, Senior Staff Attorney, Office of General Counsel.

SUMMARY: The proposed rule would amend the NCUA's regulation requiring appraisals for certain real estate-related transactions. The proposed rule would increase 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 would be required to obtain written estimates of market value of the real estate collateral that is consistent with safe and sound banking practices in lieu of an appraisal. In addition, for easier reference, the proposed rule would explicitly incorporate the existing 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 proposed rule for publication in the *Federal Register* for a 60-day comment period.

ATTACHMENT: Proposed Rule.