



National Credit Union Administration

TO: NCUA Board
DATE: September 10, 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: September 17, 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: Lou Pham, Senior Credit Specialist, Office of Examination and Insurance; Gira Bose, Staff Attorney, Office of General Counsel.

SUMMARY: On April 16, 2020, the Board approved an interim final rule with a 45-day comment period amending the agency’s regulations requiring appraisals of real estate for certain transactions. After consideration of public comments, this final rule adopts the interim final rule as final without change. The final rule defers the requirement to obtain an appraisal or written estimate of market value for up to 120 days following the closing of a transaction for certain residential and commercial real estate transactions, excluding transactions for acquisition, development, and construction of real estate. Credit unions should make best efforts to obtain a credible estimate of real property collateral before the loan closing, and otherwise underwrite loans consistent with safety and soundness principles. The regulatory relief provided by the final rule is temporary and the final rule is effective until December 31, 2020. The final rule is similar to a final rule issued by the Office of the Comptroller of the Currency, Treasury (“OCC”); Board of Governors of the Federal Reserve System (“FRB”); and Federal Deposit Insurance Corporation (“FDIC”).

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

ATTACHMENT: Final rule.