
Joint Release

**Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency**

For immediate release

September 27, 2019

Federal Banking Agencies Issue Final Rule to Exempt Residential Real Estate Transactions of \$400,000 or Less from Appraisal Requirements

WASHINGTON— The Federal Reserve, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency have adopted a final rule that increases the threshold for residential real estate transactions requiring an appraisal from \$250,000 to \$400,000.

The appraisal threshold was last changed in 1994. Given price appreciation in residential real estate transactions since that time, the change will provide burden relief without posing a threat to the safety and soundness of financial institutions.

For transactions exempted from the appraisal requirement, the final rule requires institutions to obtain an evaluation to provide an estimate of the market value of real estate collateral. Evaluations are generally less burdensome than appraisals and have been required since the 1990s.

The final rule incorporates the appraisal exemption for rural residential properties provided by the Economic Growth, Regulatory Relief, and Consumer Protection Act and similarly requires evaluations for these transactions. The final rule also requires institutions to review appraisals for compliance with the Uniform Standards of Professional Appraisal Practice.

The agencies have consulted with the Consumer Financial Protection Bureau (CFPB), and, as required by statute, have received its concurrence on the increased threshold. The CFPB released its letter concurring that the increased threshold provides reasonable protection for consumers who purchase 1-4 unit single-family residences.

Attachments:

[Final Rule Real Estate Appraisals for Residential Real Estate Transactions](#)

[Concurrence letter from the CFPB](#)

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