



PRESS RELEASE

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November 7, 1994

AGENCIES ISSUE UNIFORM GUIDELINES ON REAL ESTATE APPRAISALS AND EVALUATIONS

FOR IMMEDIATE RELEASE

The four federal regulators of banks and savings associations announced today joint guidelines to help lenders implement appropriate procedures for conducting appraisals and evaluations of real estate. The guidelines, which are effective immediately, clarify and elaborate on the amended appraisal rule issued by the four agencies in June that gave lenders more flexibility in estimating the value of real estate collateral when consistent with safe and sound banking practices. The amended rule reduced the number of loans requiring a real estate appraisal by a certified or licensed appraiser and simplified the appraisal standards to be used. The new guidelines also describe the appropriate application of July amendments to the Uniform Standards of Professional Appraisal Practice that allowed additional appraisal options. Those amendments were adopted by the Appraisal Standards Board of the Appraisal Foundation. The new interagency document supercedes each of the agencies' appraisal and evaluation guidelines issued in 1992. Copies of the guidelines, which are being sent to all FDIC-insured institutions and to examiners, are available from the Office of the Comptroller of Currency, the Federal Deposit Insurance Corporation, the Federal Reserve Board and the Office of Thrift Supervision.

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communications@fdic.gov



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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