
Joint Release

**Federal Deposit Insurance Corporation
Federal Reserve Board of Governors
National Credit Union Administration
Office of the Comptroller of the Currency**

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Agencies Issue an Exception on Real Estate Transactions from the Appraisal Requirements for Transactions in Areas Affected by Severe Storms and Flooding in Louisiana

WASHINGTON — Four federal financial institution regulatory agencies issued an exception from the appraisal requirements for real estate-related financial transactions in the parishes declared to be in a major disaster area due to the severe storms and flooding in Louisiana. The agencies will not require financial institutions to obtain appraisals for affected transactions for the time period specified if certain conditions are met. The exception is being made under the Financial Institutions Reform, Recovery, and Enforcement Act and its implementing regulations.

The value of the property is required to support the institution's decision to enter into the transaction, and financial institutions that rely on the appraisal exception should maintain sufficient valuation information estimating the collateral's value that supports their credit decision in the loan file. The agencies will monitor institutions' use of the appraisal exception to ensure real estate-related transactions are being originated in a manner consistent with safe and sound banking practices. The exception expires on December 31, 2017.

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Attachment: [Temporary Exceptions to FIRREA Appraisal Requirements in Areas Affected by Severe Storms and Flooding in Louisiana](#)

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