



**Federal Deposit Insurance
Corporation**

550 17th Street NW, Washington, DC 20429-9990

Financial Institution Letter

FIL-11-2013

March 18, 2013

APPRAISAL REQUIREMENTS FOR HIGHER-PRICED MORTGAGE LOANS AND RESOURCES REGARDING OTHER CFPB MORTGAGE-RELATED RULEMAKINGS

Summary: On January 18, 2013, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the National Credit Union Administration, the Office of the Comptroller of the Currency, the Federal Housing Finance Agency, and the Consumer Financial Protection Bureau (CFPB) issued a final rule that establishes new appraisal requirements for higher-priced mortgage loans. Under the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, mortgage loans are higher priced if they are secured by a consumer's home and have interest rates above certain thresholds. In addition, a number of important changes to CFPB mortgage-related rules also are underway, and the FDIC is making available to the public several resources addressing these changes.

Statement of Applicability to Institutions Under \$1 Billion in Total Assets: This Financial Institution Letter applies to all FDIC-supervised institutions, including community banks.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
Chief Loan Officer
Chief Information Systems Officer
Compliance Officer

Related Topics:

Residential Mortgage Loans

Attachment:

[Final Rule on Appraisals for Higher-Priced Mortgages \(PDF Help\)](#)

Resource List for Tracking Changes in Mortgage-Related Rulemakings

Contact:

Beverlea S. Gardner, Senior Examination Specialist, at Bgardner@fdic.gov or (202) 898-3640

Matthew Homer, Policy Analyst, at mhomer@fdic.gov or (202) 898-6941

Note:

FDIC Financial Institution Letters (FILs) may be accessed from the FDIC's Web site

at www.fdic.gov/news/news/financial/2013/index.html.

To receive FILs electronically, visit <http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (877-275-3342 or 703-562-2200).

Highlights:

- For certain higher-priced mortgage loans, the final rule requires creditors to use a licensed or certified appraiser who prepares a written appraisal report based on a physical visit of the interior of the property, provide consumers with a free copy of the appraisal report, disclose to applicants information about the purpose of the appraisal, and obtain an additional appraisal at no cost to the consumer under certain circumstances.
- The final rule provides exemptions from the additional appraisal requirement for loans in rural areas and certain other types of loans.
- The final rule takes effect on January 18, 2014.
- In response to banker requests for assistance in monitoring developments in mortgage-related rulemakings, attached is a listing of CFPB mortgage-related rules, applicable to FDIC-supervised institutions, that are underway or have been recently issued and other FDIC resources bankers may wish to monitor.