



# NEWS RELEASE

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## FDIC PROPOSES AMENDMENTS TO APPRAISAL REGULATIONS

The Board of Directors of the FDIC today issued for comment proposed amendments to its appraisal regulations in response to issues raised by FDIC-supervised banks and others concerned about the cost of compliance. The proposed amendments are similar to those being developed by other federal bank regulators.

The amendments would decrease the number of transactions requiring an appraisal prepared by a certified or licensed appraiser, thereby reducing the costs of these transactions. If adopted, the proposed amendments would:

- o Raise the threshold to \$100,000 from \$50,000 for transactions covered by the regulation.
- o Permit the use of appraisals made for loans insured or guaranteed by an agency of the federal government.
- o Clarify that the appraisal requirements do not apply to mineral rights, timber rights or growing crops.

Existing FDIC regulations, published August 20, 1990, identify the real estate transactions requiring an appraisal, establish minimum standards for performing appraisals, and distinguish between appraisals that require the services of a state-certified appraiser and those that require a state-licensed appraiser.

(more)

Transactions below the \$100,000 threshold would remain subject to active federal supervision. Any transaction not covered by the regulation would be supported by an appropriate estimate of value prepared in accordance with the FDIC guidelines for Real Estate Appraisal Policies and Review Procedures.

Comments on the proposal will be accepted within 60 days of publication in the Federal Register.

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