



Compliance eNewsletter

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InfoSight News

Loans and Leasing: Appraisals

Because of recent NCUA amendments to appraisal rules found in NCUA Part 722, the Appraisals Topic has been updated to include new content. The revisions amend and add to the definitions section of the rule and provide for additional exemptions for rural areas and for commercial transactions.

Compliance News

NCUA Appraisal Final Rule Now in Effect

In their July meeting, NCUA's Board approved [a final rule](#) effective October 22, 2019, that amends the agency's real estate appraisal requirements for certain transactions as part of the [NCUA's regulatory reform agenda](#).

"This rule is part of a commonsense approach to regulation that will help put more resources into our communities," NCUA Board Chairman Rodney E. Hood said.

"Rethinking the appraisal rule is an example of regulatory reform that is positive and can help boost economic activity and job creation, particularly in some of our nation's more hard-pressed areas."

The final rule accomplishes four agency objectives:

- Increases the threshold for required appraisals in commercial real estate transactions from the current \$250,000 to \$1 million;
- Reorganizes the appraisal regulation to make it easier to determine when a written estimate or an appraisal is required;
- Exempts real estate transactions located in rural areas from appraisal requirements if certain conditions are met; and
- Amends the definitions section of the rule to reflect these changes.

Fidelity Bond Requirements Now in Effect

In their July meeting, the NCUA Board also approved [a final rule](#) amending the agency's fidelity bond requirements to better ensure safe and sound credit union operations and protect the National Credit Union Share Insurance Fund. The rule went into effect October 22, 2019.

The final rule, [part of the agency's regulatory reform agenda](#), will:

- Strengthen oversight of fidelity bond coverage by a credit union's board of directors;
- Create a one-year discovery period following a credit union's liquidation;
- Codify the Office of General Counsel's September 2017 legal opinion permitting a natural-person credit union to extend bond coverage to certain credit union service organizations; and
- Clarify the documents subject to the NCUA Board's approval and require all bond forms receive approval every 10 years.

The final rule does not require a credit union's supervisory committee to review its fidelity bond renewal

Source: NCUA

Advocacy Highlight

CUNA's Advocacy Resources

- [This Week in Washington – October 15, 2019](#)
- [Input to lawmakers and regulators](#)
- [CUNA Advocacy page](#)

Compliance Calendar

- November 11th, 2019: Veterans Day - Federal Holiday
- November 24th, 2019: SAFE Act. – MLO Registration
- November 28th, 2019: Thanksgiving Day - Federal Holiday
- December 2nd, 2019: NCUA Payday Alternative Loan 2 (PAL II)
- December 25th, 2019: Christmas Day - Federal Holiday

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