

**§ 722.5 Appraiser independence.**

(a) *Staff appraiser.* If an appraisal is prepared by a staff appraiser, that appraiser must be independent of the lending, investment, and collection functions and not involved, except as an appraiser, in the federally related transaction, and have no direct or indirect interest, financial or otherwise, in the property. If the only qualified persons available to perform an appraisal are involved in the lending, investment, or collection functions of the credit union, the credit union shall take appropriate steps to ensure that the appraisers exercise independent judgment. Such steps include, but are not limited to, prohibiting an individual from performing an appraisal in connection with federally related transactions in which the appraiser is otherwise involved.

(b) *Fee Appraisers.* (1) If an appraisal is prepared by a fee appraiser, the appraiser shall be engaged directly by the credit union or its agent and have no direct or indirect interest, financial or otherwise, in the property or the transaction.

(2) A credit union also may accept an appraisal that was prepared by an appraiser engaged directly by another financial services institution; if:

(i) The appraiser has no direct or indirect interest, financial or otherwise, in the property or transaction; and

(ii) The credit union determines that the appraisal conforms to the requirement of this regulation and is otherwise acceptable.

[55 FR 30207, July 25, 1990, as amended at 60 FR 51895, Oct. 4, 1995]

**§ 722.6 Professional association membership; competency.**

(a) *Membership in appraisal organization.* A state-certified appraiser or a state-licensed appraiser may not be excluded from consideration for an assignment for a federally related transaction solely by virtue of membership or lack of membership in any particular appraisal organization.

(b) *Competency.* All staff and fee appraisers performing appraisals in connection with federally related transactions must be state-certified or -licensed as appropriate. However, a

state-certified or -licensed appraiser may not be considered competent solely by virtue of being certified or licensed. Any determination of competency shall be based upon the individual's experience and educational background as they relate to the particular appraisal assignment for which he or she is being considered.

**§ 722.7 Enforcement.**

Credit unions and institution-affiliated parties, including staff appraisers and fee appraisers, may be subject to removal and/or prohibition orders, cease-and-desist orders, and the imposition of civil money penalties pursuant to section 1786 of the Federal Credit Union Act, or any other applicable law.

**PART 723—MEMBER BUSINESS LOANS****Sec.**

- 723.1 What is a member business loan?
- 723.2 What are the prohibited activities?
- 723.3 What are the requirements for construction and development lending?
- 723.4 What other regulations apply to member business lending?
- 723.5 How do you implement a member business loan program?
- 723.6 What must your member business loan policy address?
- 723.7 What are the collateral and security requirements?
- 723.8 How much may one member or a group of associated members borrow?
- 723.9 [Reserved]
- 723.10 What waivers are available?
- 723.11 How do you obtain a waiver?
- 723.12 What will NCUA do with my waiver request?
- 723.13 What options are available if the NCUA Regional Director denies my waiver request, or a portion of it?
- 723.14-723.15 [Reserved]
- 723.16 What is the aggregate member business loan limit for a credit union?
- 723.17 Are there any exceptions to the aggregate loan limit?
- 723.18 How do I obtain an exception?
- 723.19 What are the recordkeeping requirements?
- 723.20 How can a state supervisory authority develop and enforce a member business loan regulation?
- 723.21 Definitions.

AUTHORITY: 12 U.S.C. 1756, 1757, 1757A, 1766, 1785, 1789.