day after the creditor receives the consumer’s application for a higher-priced mortgage loan subject to this section. In the case of a loan that is not a higher-priced mortgage loan subject to this section at the time of application, but becomes a higher-priced mortgage loan subject to this section after application, the disclosure shall be delivered or placed in the mail not later than the third business day after the creditor determines that the loan is a higher-priced mortgage loan subject to this section.

(f) Copy of appraisals—(1) In general. Except as provided in paragraph (b) of this section, a creditor shall provide to the consumer a copy of any written appraisal performed in connection with a higher-priced mortgage loan pursuant to paragraphs (c) and (d) of this section.

(2) Timing. A creditor shall provide to the consumer a copy of each written appraisal pursuant to paragraph (f)(1) of this section:

(i) No later than three business days prior to consummation of the loan; or

(ii) In the case of a loan that is not consummated, no later than 30 days after the creditor determines that the loan will not be consummated.

(3) Form of copy. Any copy of a written appraisal required by paragraph (f)(1) of this section may be provided to the applicant in electronic form, subject to compliance with the consumer consent and other applicable provisions of the Electronic Signatures in Global and National Commerce Act (E-Sign Act) (15 U.S.C. 7001 et seq.).

(4) No charge for copy of appraisal. A creditor shall not charge the consumer for a copy of a written appraisal required to be provided to the consumer pursuant to paragraph (f)(1) of this section.

(g) Relation to other rules. The rules in this section 34.203 were adopted jointly by the Board of Governors of the Federal Reserve System (the Board), the OCC, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Federal Housing Finance Agency, and the Consumer Financial Protection Bureau (Bureau). These rules are substantively identical to the Board’s and the Bureau’s higher-priced mortgage loan appraisal rules published separately in 12 CFR 226.43 (for the Board) and 12 CFR 1026.35(a) and (c) (for the Bureau).


EFFECTIVE DATE NOTE: At 78 FR 78580, Dec. 26, 2013, §34.203 was amended by revising paragraph (b)(8), effective July 18, 2015. For the convenience of the user, the revised text is set forth as follows:

§34.203 Appraisals for higher priced mortgage loans.

* * * * *

(b) * * *

(8) A transaction secured by:

(i) A new manufactured home and land, but the exemption shall only apply to the requirement in paragraph (c)(1) of this section that the appraiser conduct a physical visit of the interior of the new manufactured home; or

(ii) A manufactured home and not land, for which the creditor obtains one of the following and provides a copy to the consumer no later than three business days prior to consummation of the transaction—

(A) For a new manufactured home, the manufacturer’s invoice for the manufactured home securing the transaction, provided that the date of manufacture is no earlier than 18 months prior to the creditor’s receipt of the consumer’s application for credit;

(B) A cost estimate of the value of the manufactured home securing the transaction obtained from an independent cost service provider; or

(C) A valuation, as defined in 12 CFR 1026.42(b)(3), of the manufactured home performed by a person who has no direct or indirect interest, financial or otherwise, in the property or transaction for which the valuation is performed and has training in valuing manufactured homes.

* * * * *

APPENDIX A TO SUBPART G — HIGHER-PRICED MORTGAGE LOAN APPRAISAL SAFE HARBOR REVIEW

FOR THE SAFE HARBOR PROVIDED IN §34.203(C)(2), A CREDITOR MUST CONFIRM THAT THE WRITTEN APPRAISAL:

1. Identifies the creditor who ordered the appraisal and the property and the interest being appraised.

2. Indicates whether the contract price was analyzed.

3. Addresses conditions in the property’s neighborhood.
4. Addresses the condition of the property and any improvements to the property.
5. Indicates which valuation approaches were used, and includes a reconciliation if more than one valuation approach was used.
6. Provides an opinion of the property’s market value and an effective date for the opinion.
7. Indicates that a physical property visit of the interior of the property was performed.
8. Includes a certification signed by the appraiser that the appraisal was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.
9. Indicates that a physical property visit of the interior of the property was performed, as applicable.
10. Includes a certification signed by the appraiser that the appraisal was prepared in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice.
11. Indicates that a physical property visit of the interior of the property was performed.

APPENDIX A TO SUBPART G—HIGHER-PRICED MORTGAGE LOAN APPRAISAL SAFE HARBOR REVIEW

7. Indicates that a physical property visit of the interior of the property was performed, as applicable.

APPENDIX B TO SUBPART G—ILLUSTRATIVE WRITTEN SOURCE DOCUMENTS FOR HIGHER-PRICED MORTGAGE LOAN APPRAISAL RULES

A creditor acts with reasonable diligence under §34.203(d)(6)(i) if the creditor bases its determination on information contained in written source documents, such as:
1. A copy of the recorded deed from the seller.
2. A copy of a property tax bill.
3. A copy of any owner’s title insurance policy obtained by the seller.
4. A copy of the RESPA settlement statement from the seller’s acquisition (i.e., the HUD–1 or any successor form).
5. A property sales history report or title report from a third-party reporting service.
6. Sales price data recorded in multiple listing services.
7. Tax assessment records or transfer tax records obtained from local governments.
8. A written appraisal performed in compliance with §34.203(c)(1) for the same transaction.
9. A copy of a title commitment report detailing the seller’s ownership of the property, the date it was acquired, or the price at which the seller acquired the property.
10. A property abstract.

APPENDIX C TO SUBPART G—OCC INTERPRETATIONS

SECTION 34.202—DEFINITIONS APPLICABLE TO HIGHER-PRICED MORTGAGE LOANS


SECTION 34.203—APRAISALS FOR HIGHER-PRICED MORTGAGE LOANS

34.203(a) Definitions.
34.203(a)(1) Certified or licensed appraiser.
1. USPAP. The Uniform Standards of Professional Appraisal Practice (USPAP) are established by the Appraisal Standards Board of the Appraisal Foundation (as defined in 12 U.S.C. 3331 et seq.), and any implementing regulations.
2. Appraiser’s certification. The appraiser’s certification refers to the certification that must be signed by the appraiser for each appraisal assignment. This requirement is specified in USPAP Standards Rule 2–3.
3. FIRREA title XI and implementing regulations. The relevant regulations are those prescribed under section 1110 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), as amended (12 U.S.C. 3339), that relate to an appraiser’s development and reporting of the appraisal in effect at the time the appraiser signs the appraiser’s certification.

2. Appraiser’s certification. The appraiser’s certification refers to the certification that must be signed by the appraiser for each appraisal assignment. This requirement is specified in USPAP Standards Rule 2–3.
3. FIRREA title XI and implementing regulations. The relevant regulations are those prescribed under section 1110 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), as amended (12 U.S.C. 3339), that relate to an appraiser’s development and reporting of the appraisal in effect at the time the appraiser signs the appraiser’s certification. Paragraph (3) of FIRREA section 1110 (12 U.S.C. 3339(3)), which relates to the review of appraisals, is not relevant for determining whether an appraiser is a certified or licensed appraiser under §34.203(a)(1).

34.203(b) Exemptions.
Paragraph 34.203(b)(2).
1. Secured by new manufactured home. A transaction secured by a new manufactured home, regardless of whether the transaction is also secured by the land on which it is sited, is not a “higher-priced mortgage loan” subject to the appraisal requirements of §34.203.

Paragraph 34.203(b)(3).
1. Secured by a mobile home. For purposes of the exemption in §34.203(b)(3), a mobile home