date that is 18 months after the designated transfer date if such regulations have not been issued by that date, see section 1400(c) of Pub. L. 111–203, set out as an Effective Date of 2010 Amendment note under section 1601 of Title 15, Commerce and Trade.

§ 3355. Broker price opinions

(a) General prohibition

In conjunction with the purchase of a consumer's principal dwelling, broker price opinions may not be used as the primary basis to determine the value of a piece of property for the purpose of a loan origination of a residential mortgage loan secured by such piece of property.

(b) Broker price opinion defined

For purposes of this section, the term "broker price opinion" means an estimate prepared by a real estate broker, agent, or sales person that details the probable selling price of a particular piece of real estate property and provides a varying level of detail about the property's condition, market, and neighborhood, and information on comparable sales, but does not include an automated valuation model, as defined in section $3354(c)^{1}$ of this title.

(Pub. L. 101–73, title XI, 1126, as added Pub. L. 111–203, title XIV, 1473(r), July 21, 2010, 124 Stat. 2198.)

Editorial Notes

REFERENCES IN TEXT

Section 3354(c) of this title, referred to in subsec. (b), probably means section 3354(d) of this title, which defines "automated valuation model".

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective on the date on which final regulations implementing such section take effect, or on the date that is 18 months after the designated transfer date if such regulations have not been issued by that date, see section 1400(c) of Pub. L. 111–203, set out as an Effective Date of 2010 Amendment note under section 1601 of Title 15, Commerce and Trade.

§ 3356. Exemption from appraisals of real estate located in rural areas

(a) Definitions

In this section—

- (1) the term "mortgage originator" has the meaning given the term in section 1602 of title 15; and
- (2) the term "transaction value" means the amount of a loan or extension of credit, including a loan or extension of credit that is part of a pool of loans or extensions of credit.

(b) Appraisal not required

Except as provided in subsection (d), notwithstanding any other provision of law, an appraisal in connection with a federally related transaction involving real property or an interest in real property is not required if—

(1) the real property or interest in real property is located in a rural area, as described in

section 1026.35(b)(2)(iv)(A) of title 12, Code of Federal Regulations;

- (2) not later than 3 days after the date on which the Closing Disclosure Form, made in accordance with the final rule of the Bureau of Consumer Financial Protection entitled "Integrated Mortgage Disclosures Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z)" (78 Fed. Reg. 79730 (December 31, 2013)), relating to the federally related transaction is given to the consumer, the mortgage originator or its agent, directly or indirectly—
 - (A) has contacted not fewer than 3 State certified appraisers or State licensed appraisers, as applicable, on the mortgage originator's approved appraiser list in the market area in accordance with part 226 of title 12. Code of Federal Regulations: and
 - (B) has documented that no State certified appraiser or State licensed appraiser, as applicable, was available within 5 business days beyond customary and reasonable fee and timeliness standards for comparable appraisal assignments, as documented by the mortgage originator or its agent;
- (3) the transaction value is less than \$400,000; and
- (4) the mortgage originator is subject to oversight by a Federal financial institutions regulatory agency.

(c) Sale, assignment, or transfer

A mortgage originator that makes a loan without an appraisal under the terms of subsection (b) shall not sell, assign, or otherwise transfer legal title to the loan unless—

- (1) the loan is sold, assigned, or otherwise transferred to another person by reason of the bankruptcy or failure of the mortgage originator;
- (2) the loan is sold, assigned, or otherwise transferred to another person regulated by a Federal financial institutions regulatory agency, so long as the loan is retained in portfolio by the person;
- (3) the sale, assignment, or transfer is pursuant to a merger of the mortgage originator with another person or the acquisition of the mortgage originator by another person or of another person by the mortgage originator; or
- (4) the sale, loan, or transfer is to a wholly owned subsidiary of the mortgage originator, provided that, after the sale, assignment, or transfer, the loan is considered to be an asset of the mortgage originator for regulatory accounting purposes.

(d) Exception

Subsection (b) shall not apply if—

- (1) a Federal financial institutions regulatory agency requires an appraisal under section 225.63(c), 323.3(c), 34.43(c), or 722.3(e) of title 12, Code of Federal Regulations; or
- (2) the loan is a high-cost mortgage, as defined in section 1602 of title 15.

(e) Anti-evasion

Each Federal financial institutions regulatory agency shall ensure that any mortgage originator that the Federal financial institutions regulatory agency oversees that makes a signifi-

¹ See References in Text note below.

Sec.

cant amount of loans under subsection (b) is complying with the requirements of subsection (b)(2) with respect to each loan.

(Pub. L. 101-73, title XI, §1127, as added Pub. L. 115-174, title I, §103, May 24, 2018, 132 Stat. 1299.)

CHAPTER 35—RIGHT TO FINANCIAL PRIVACY

Bec.	
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§ 3401. Definitions

For the purpose of this chapter, the term—

- (1) "financial institution", except as provided in section 3414 of this title, means any office of a bank, savings bank, card issuer as defined in section $1602(n)^1$ of title 15, industrial loan company, trust company, savings association, building and loan, or homestead association (including cooperative banks), credit union, or consumer finance institution, located in any State or territory of the United States, the District of Columbia, Puerto Rico, Guam, American Samoa, or the Virgin Islands;
- (2) "financial record" means an original of, a copy of, or information known to have been derived from, any record held by a financial institution pertaining to a customer's relationship with the financial institution;
- (3) "Government authority" means any agency or department of the United States, or any officer, employee, or agent thereof;
- (4) "person" means an individual or a partnership of five or fewer individuals;(5) "customer" means any person or author-
- (5) "customer" means any person or authorized representative of that person who utilized or is utilizing any service of a financial institution, or for whom a financial institution is acting or has acted as a fiduciary, in relation to an account maintained in the person's name;
 - (6) "holding company" means—
 - (A) any bank holding company (as defined in section 1841 of this title); and
 - (B) any company described in section 1843(f)(1) of this title;

- (7) "supervisory agency" means with respect to any particular financial institution, holding company, or any subsidiary of a financial institution or holding company, any of the following which has statutory authority to examine the financial condition, business operations, or records or transactions of that institution, holding company, or subsidiary—
 - (A) the Federal Deposit Insurance Corpora-
 - (B) the Bureau of Consumer Financial Protection;
 - (C) the National Credit Union Administration;
 - (D) the Board of Governors of the Federal Reserve System;
 - (E) the Comptroller of the Currency;
 - (F) the Securities and Exchange Commission:
 - (G) the Commodity Futures Trading Commission;
 - (H) the Secretary of the Treasury, with respect to the Bank Secrecy Act (Public Law 91–508, title I) [12 U.S.C. 1951 et seq.] and subchapter II of chapter 53 of title 31; or
 - (I) any State banking or securities department or agency; and
- (8) "law enforcement inquiry" means a lawful investigation or official proceeding inquiring into a violation of, or failure to comply with, any criminal or civil statute or any regulation, rule, or order issued pursuant thereto.

(Pub. L. 95–630, title XI, §1101, Nov. 10, 1978, 92 Stat. 3697; Pub. L. 101–73, title VII, §744(b), title IX, §941, Aug. 9, 1989, 103 Stat. 438, 496; Pub. L. 101–647, title XXV, §2596(c), Nov. 29, 1990, 104 Stat. 4908; Pub. L. 106–102, title VII, §727(b)(1), Nov. 12, 1999, 113 Stat. 1475; Pub. L. 108–177, title III, §374(b), Dec. 13, 2003, 117 Stat. 2628; Pub. L. 111–203, title X, §1099(1), July 21, 2010, 124 Stat. 2105.)

Editorial Notes

REFERENCES IN TEXT

Section 1602(n) of title 15, referred to in par. (1), was redesignated section 1602(o) of title 15 by Pub. L. 111-203, title X, $\S1100A(1)(A)$, July 21, 2010, 124 Stat. 2107.

The Bank Secrecy Act, referred to in par. (7)(H), is title I of Pub. L. 91–508, Oct. 26, 1970, 84 Stat. 1114, which is classified principally to chapter 21 (§1951 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1951 of this title and Tables.

CODIFICATION

In par. (7)(H), "the Bank Secrecy Act (Public Law 91–508, title I) [12 U.S.C. 1951 et seq.] and subchapter II of chapter 53 of title 31" substituted for "the Bank Secrecy Act [12 U.S.C. 1951 et seq.] and the Currency and Foreign Transactions Reporting Act [31 U.S.C. 1051 et seq.] (Public Law 91–508, title I and II)", on authority of Pub. L. 97–258, §4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

AMENDMENTS

2010—Par. (6). Pub. L. 111–203, §1099(1)(A), inserted "and" at end of subpar. (A), struck out "and" at end of subpar. (B), and struck out subpar. (C) which read as follows: "any savings and loan holding company (as defined in the Home Owners' Loan Act);".

Par. (7)(B). Pub. L. 111–203, §1099(1)(B), added subpar.

Par. (7)(B). Pub. L. 111–203, §1099(1)(B), added subpar. (B) and struck out former subpar. (B) which read as follows: "Director, Office of Thrift Supervision;".

¹ See References in Text note below.