

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

August 31, 2012

To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Savings and Loan Holding Companies,
and Foreign Banking Offices
in the Twelfth Federal Reserve District

Consumer Financial Protection Bureau (CFPB) Proposes Rules to Improve Consumer Access to Appraisal Reports

On August 15, 2012, the CFPB issued a [proposal](#) to amend Regulation B, which implements the Equal Credit Opportunity Act (ECOA), and the official interpretation to the regulation, which interprets the requirements of Regulation B. The proposed revisions would implement an ECOA amendment concerning appraisals that was enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). The comment period for the proposal ends October 15, 2012. The CFPB anticipates analyzing the comments and issuing final rules by January 2013.

The proposed rule would require that creditors inform consumers within three days of applying for a loan of their right to receive a free copy of appraisal reports and home value estimates. Creditors would then be required to provide the reports to consumers as promptly as possible, but in no case later than three days before closing, regardless of whether credit is extended, denied, incomplete or withdrawn. Under the proposed rule, creditors could still charge reasonable fees associated with conducting appraisals and home value estimates; however, the rule would prohibit creditors from charging consumers fees for obtaining the reports.

Resource

We encourage bankers to understand the changes being proposed and utilize the comment period as an opportunity to influence the final rules and help prevent unintended consequences resulting from any new rules. Those wishing to submit a formal comment can submit them through <http://www.regulations.gov> ([ECOA Appraisal Proposal](#)).

Additional information on CFPB rules and related guidance can be found on the CFPB's website at <http://www.consumerfinance.gov/>.

The Federal Reserve Bank of St. Louis has also established a regulatory reform rules website that tracks the progress of more than 200 proposals and rules that will be written by the various Federal agencies to implement the Dodd-Frank Act. The site is located at: <http://www.stlouisfed.org/regreformrules/>.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information regarding supervisory expectations, please contact:

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