

CHANGE REQUIRED BY the Consumer Financial Protection Bureau (CFPB) ECOA Valuations Rule

The ECOA Valuations Rule removes the federal credit union exemption from the appraisal requirements of Regulation B regarding the provision of appraisal copies. Beginning January 18, 2014, credit unions will be required to provide an applicant a copy of all appraisals and other written valuations developed in connection with an application for credit that is secured by a **first lien on a dwelling**.

Note: To avoid determining lien position and whether or not a notice should be given, the majority of our clients are providing a copy of the appraisal and the new notice with every Home Equity loan or HELOC regardless of lien position. It's up to the Credit Union how they want to handle this within their Home Equity policy.

Summary of the rule:

1. Credit union must notify the applicant in writing within three (3) business days of application of the right to receive a copy of any appraisal developed in connection with the application.
2. If an application that was not originally going to be secured by a first lien on a dwelling is later determined to be secured by a first lien, then the credit union has three (3) business days after determination that change has occurred to notify applicant of right to receive copies of appraisals.
3. When processing the application for closed-end loan, copies of appraisals and other written valuations must be delivered to applicant "promptly upon completion" or three (3) business days before consummation, whichever is earlier.
4. When processing the application for an open-end loan, the credit union must deliver copies of appraisals and other written valuations "promptly upon completion" or three business days before account opening, whichever is earlier.
5. Applicants may not be charged fees for copying or to cover the cost of postage to mail copies of appraisals or other written valuations. The credit union may charge a reasonable fee to reimburse the cost of developing an appraisal or written valuation unless applicable federal or state law prohibits or otherwise restricts. The credit union may not condition providing copies on payment of this fee.
6. For applicants who waive the right to receive the required copies at least three (3) business days before consummation or account opening, copies must be provided either at, or prior to, consummation or account opening.

The Notice to Applicant of Right to Receive Copy of Appraisal Report disclosure form is available from Conmar. The new form or update is at no charge and will be automatically updated for those current customers who have our Home Equity Documents. The current credit union contact on file will be emailed a confirmation once the form as been completed. We will have the forms updated on or before the effective date.

You may contact your Customer Service Representative by calling 800-227-4931 or 770-487-3883 or by email:

Angela Bowers – abowers@conmarsystems.com

Mike Smith – msmith@conmarsystems.com

Dee Dee Taylor – dredmond@conmarsystems.com

General email – sales@conmarsystems.com

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