

# RESCINDED

OCC Bulletin 2020-38 | April 14, 2020

## Appraisals and Evaluations: Interim Final Rule and Interagency Statement for Real Estate-Related Financial Transactions Affected by the Coronavirus

Replaced-See OCC 2020-83

### Summary

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (FRB), and the Federal Deposit Insurance Corporation (FDIC) today announced an interim final rule that allows financial institutions to defer completion of appraisals and evaluations after the closing of certain residential and commercial real estate transactions. The deferrals provide flexibility for completing appraisals and evaluations to help financial institutions meet the immediate liquidity needs of borrowers during the coronavirus (also referred to as COVID-19) emergency.

In addition, the OCC, FRB, FDIC, National Credit Union Administration, and Consumer Financial Protection Bureau today issued an interagency statement to address challenges relating to appraisals and evaluations for real estate-related financial transactions affected by COVID-19.

### To

Chief Executive Officers of All National Banks, Federal Savings Associations, and Federal Branches and Agencies; Department and Division Heads; All Examining Personnel; and Other Interested Parties

### Note for Community Banks

The interim final rule and interagency statement apply to community banks.<sup>1</sup>

### Highlights

This interim final rule

- authorizes deferrals of appraisals and evaluations for all residential and commercial real estate transactions, except for transactions involving the acquisition, development, and construction of real estate.
- allows a bank up to 120 days from the closing of a transaction to obtain the appraisal or evaluation required under the appraisal regulations.
- authorizes deferrals until December 31, 2020, when the interim final rule terminates.

While appraisals and evaluations can be deferred, the OCC, FRB, and FDIC expect institutions to use best efforts and available information to develop a well-informed estimate of the collateral value of the subject property.

The interagency statement outlines

- existing flexibilities in industry appraisal standards for physical property inspections.

- temporary flexibilities for appraisals of residential properties underwritten to Fannie Mae and Freddie Mac standards.
- existing exceptions in appraisal regulations.

## Further Information

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## Related Links

- ["Interim Final Rule: Real Estate Appraisals"](#) (PDF)
- ["Interagency Statement on Appraisals and Evaluations for Real Estate Related Financial Transactions Affected by the Coronavirus"](#) (PDF)

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<sup>1</sup> The term "banks" refers to national banks, federal savings associations, and federal branches and agencies of foreign banking organizations.