

Transmittal



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The attached final rule, jointly with the three agencies, raises to \$250,000 the threshold at or below which a real estate appraisal by a state certified or state licensed appraiser is not required. The previous threshold was \$100,000. The rule also expands and clarifies existing exemptions to the current appraisal requirement, identifies additional circumstances under which appraisals will not be required, and specifies when exempt transactions nevertheless require appropriate evaluations. Finally, it amends existing requirements governing appraisal content and the use of appraisals prepared by other financial services institutions.

OTC reserves the right to require an appraisal whenever the agency believes it is necessary for safety and soundness reasons. As a matter of policy OTS will require problem institutions or institutions in troubled condition to obtain appraisals for all real estate transactions over \$100,000 that are not otherwise exempt from the regulation.

The rule was published in the June 7, 1994 edition of the *Federal Register*, Vol. 59, No. 108, pp. 29482-29503.

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Attachment