

Appraisal Disclosure & Copy Requirements

	Regulation B – §1002.14	Regulation Z - §1026.35(c)
General Requirement	Creditors must provide applicants with a notice of borrower’s right to receive a copy of appraisal/valuation and a copy of each final appraisal/valuation developed in connection with an application for credit secured by a dwelling. Note: Reg. B does not require creditors to obtain an appraisal/valuation.	Creditors are required to obtain a written appraisal of a dwelling securing a higher priced mortgage loan (HPML) prior to loan closing. The appraisal must be conducted by a certified or licensed appraiser who conducts a physical interior property inspection. The creditors must provide a notice to the consumer of their right to a copy of the appraisal as well as provide a copy of the appraisal.
Key Points:	<ul style="list-style-type: none"> • “Dwellings” include residential structures that contain one to four units whether or not that structure is attached to real property. (Motor vehicles are excluded.) • “Valuations” include: <ul style="list-style-type: none"> ○ A report prepared by an appraiser (whether or not licensed or certified) ○ A document prepared by a creditor's staff assigning value ○ A report approved by a GSE describing the estimated property value ○ An automated valuation model (AVM) report ○ A broker price opinion 	<ul style="list-style-type: none"> • Exemptions to the appraisal HPML requirement: <ul style="list-style-type: none"> ○ A qualified mortgage as defined in 12 CFR 1026.43(e) and (f) ○ A transaction in amount of \$28,500 (2022) or less; adjusted annually ○ Streamline refinances; subject to certain conditions (E.g., no cash out) ○ Subject to restrictions and conditions, a transaction secured by a new manufactured home and land or an existing manufactured home – see details of exception at § 1026.35(c)(2)(viii) ○ A transaction secured by a mobile home, boat, or trailer ○ A transaction to finance the initial construction of a dwelling ○ Bridge loans with a maturity of 12 months or less connected with the acquisition of a consumer’s principal dwelling ○ A reverse-mortgage transaction subject to § 1026.33(a)
Trigger	“Development” of an appraisal or valuation in connection with an application for credit secured by a first lien on a dwelling	An application for an HPML
Coverage	<ul style="list-style-type: none"> • First lien, closed-end loans & open-end lines of credit secured by a dwelling • Consumer & business purpose • NOT limited to principal dwellings 	<ul style="list-style-type: none"> • First and subordinate lien, closed- end loans • Consumer purpose-only • Limited to consumer’s principal dwelling
Notice Timing	Mail/deliver not later than 3rd business day after receipt of an application for credit to be secured by a first lien on a dwelling	Mail/deliver not later than 3rd business day after receipt of an HPML application
Notice Content	We may order an appraisal to determine the property’s value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost. <ul style="list-style-type: none"> • Appraisal notice on pg. 3 of Loan Estimate satisfies this requirement 	We may order an appraisal to determine the property’s value and charge you for this appraisal. We will give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost. ¹ <ul style="list-style-type: none"> • Appraisal notice on pg. 3 of Loan Estimate satisfies this requirement
Delivery & Timing of Appraisal Copy	<ul style="list-style-type: none"> • “Promptly” upon completion or not later than three business days prior to closing or account opening • Can be provided in electronic format, if in compliance with the E-Sign Act 	<ul style="list-style-type: none"> • Three business days prior to consummation • Not later than 30 business days after creditor determines loan will not close • Can be provided in electronic format, if in compliance with the E-Sign Act
Waiver of Delivery 3 Days before Closing	<ul style="list-style-type: none"> • Permitted • Borrower must provide waiver in writing to creditor three business days prior to closing/account opening 	Not permitted
Copy or Delivery Fee	Not permitted	Not Permitted
Withdrawn, Denied or Incomplete Apps	<ul style="list-style-type: none"> • Notice provided even if application is denied, incomplete or withdrawn • Copy of appraisal to applicant applies if appraisal was developed 	<ul style="list-style-type: none"> • Notice provided even if application is denied, incomplete or withdrawn • Copy of appraisal to applicant applies if appraisal was obtained
Second Appraisal	NA	Required for purchase money of applicant’s principal dwelling for “flipped” HPML ²

¹ If a creditor provides the Reg. B notice, it is not also required to provide the Reg. Z notice for loans covered by both rules; provision of the Reg. B notice satisfies the Reg. Z notice requirement.

² The second appraisal requirement, also conducted by a licensed/ certified appraiser and interior inspection of the property, is subject to requirements and exemptions. See § 1026.35(c)(4).