

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 81-128

June 26, 1981

REGULATION Y  
BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

Affirmation of Final Rule Relating to Real Estate Appraisals by  
Bank Holding Companies

TO ALL MEMBER BANKS,  
BANK HOLDING COMPANIES,  
AND OTHERS CONCERNED IN THE  
ELEVENTH FEDERAL RESERVE DISTRICT:

The Board of Governors of the Federal Reserve System has confirmed its decision to amend Regulation Y by adding the performance of real estate appraisals, including single-family residences, to the list of permissible nonbanking activities in which bank holding companies may engage.

Although the amendment became effective December 31, 1980, the Board had solicited comments until January 15, 1981 because the original proposal had been modified to include the appraisal of single-family dwellings. After assessing all comments received, the final order was confirmed June 10, 1981 and any further study on this matter has been terminated. The amendments transmitted with Circular No. 80-235 and dated December 16, 1980 remain in effect. Printed on the reverse of this circular is a copy of the Board's order as submitted to the Federal Register concerning this ruling.

Any questions concerning Regulation Y should be directed to the Attorneys' Section of our Holding Company Supervision Department, Ext. 6182.

Sincerely yours,



William H. Wallace  
First Vice President

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Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-442-7140 (intrastate) and 1-800-527-9200 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

TITLE 12 -- BANKS AND BANKING

CHAPTER II -- FEDERAL RESERVE SYSTEM

SUBCHAPTER A -- BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

[Regulation Y]

[Docket No. R-0310]

Real Estate Appraisal Activities

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Termination of rulemaking.

SUMMARY: On November 26, 1980, the Board adopted a final rule adding the performance of appraisals of real estate to the list of those activities permissible for bank holding companies. (45 Fed. Reg. 79750 (1980)). The Board modified the proposed rule by including appraisals of single-family residences in the final rule and invited public comment on this modification.

After considering all of the comments received, the Board has decided to confirm its final rule and terminate rulemaking on this matter.

FOR FURTHER INFORMATION CONTACT: Michael E. Bleier, Assistant General Counsel (202/452-3721), or Michael L. Kadish, Attorney (202/452-3428), Legal Division, Board of Governors of the Federal Reserve System.

SUPPLEMENTAL INFORMATION: In conjunction with an application by First Chicago Corporation, Chicago, Illinois, the Board in June 1980, published notice of a proposed amendment to its Regulation Y that would add the performance of appraisals of real estate other than single-family residences to the list of activities permissible for bank holding companies and their nonbank subsidiaries (45 Fed. Reg. 44963 (1980)). On the basis of the record, the Board determined that the activity of performing appraisals of real estate, including single-family residences, is closely related to banking and that its performance by bank holding companies is likely, in general, to yield net benefits to the public. Accordingly, the Board issued a final rule permitting bank holding companies to perform appraisals of all types of real estate, including single-family residences. The Board requested interested persons to comment on the rule as modified.

After considering all of the comments received, the Board has decided to affirm its findings regarding the activity of performing appraisals of single-family residences and to terminate rulemaking on the matter. Accordingly, the final rule is affirmed.

Board of Governors of the Federal Reserve System, June 10, 1981.

(signed) James McAfee

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James McAfee  
Assistant Secretary of the Board