

FEDERAL RESERVE BANK
OF NEW YORK

Circular No. 9090
June 16, 1981

REAL ESTATE APPRAISAL SERVICES
BY BANK HOLDING COMPANIES

To All Bank Holding Companies, and Others Concerned,
in the Second Federal Reserve District:

In December 1980, the Board of Governors of the Federal Reserve System amended its Regulation Y, "Bank Holding Companies and Change in Bank Control" in order to add the performance of real estate appraisal services to the list of activities permissible for bank holding companies. The text of the amendment, effective December 31, 1980, was sent to you with our Circular No. 8966, dated December 8, 1980. In issuing that amendment, the Board of Governors modified its June 26, 1980 proposed amendment (sent to you with our Circular No. 8867, dated July 3, 1980) by including appraisal of *single-family residences*, and invited public comment on that modification. The Board has now considered all of the comments received and has affirmed its ruling regarding the appraisal of single-family residences.

Printed on the reverse side is the Board's action in this matter. Questions regarding this action may be directed to our Domestic Banking Applications Department (Tel. No. 212-791-5861).

ANTHONY M. SOLOMON,
President.

(Over)

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

James McAfee
Assistant Secretary of the Board