

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. **10509**]
January 16, 1992]

REAL ESTATE APPRAISAL STANDARDS

**Effective Date for Regulatory Compliance
Changed to December 31, 1992**

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

In July 1990, the Board of Governors of the Federal Reserve System amended its Regulation H, "Membership of State Banking Institutions in the Federal Reserve System," and its Regulation Y, "Bank Holding Companies and Change in Bank Control," in order to make mandatory the use of State-licensed or State-certified appraisers in real estate transactions by federally regulated financial institutions. Those amendments were sent to you with our Circular No. 10362, dated July 24, 1990. The effective date of the amendment was July 1, 1991, later extended to December 31, 1991. In accordance with the Federal Deposit Insurance Corporation Improvement Act of 1991, the Board of Governors has deferred the effective date of the amendments from December 31, 1991 to December 31, 1992. Following is the text of the Board's announcement:

The Federal Reserve has announced a delay in the effective date of its real estate appraisal regulation regarding the mandatory use of State-licensed or certified appraisers in federally related transactions for financial institutions regulated by the Board.

The change in the effective date to December 31, 1992 conforms to recent amendments made by the Federal Deposit Insurance Corporation Improvement Act of 1991 to the real estate appraisal provisions contained in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

Any requirements of State law regarding the use of certified or licensed appraisers remain unaffected by the Board's action.

Printed on the reverse side is the text of the Board's notice, as reprinted from the *Federal Register* of January 2, 1992. Questions regarding this matter may be directed to Donald E. Schmid, Manager of our Domestic Banking Department (Tel. No. 212-720-6611).

E. GERALD CORRIGAN,
President.

(OVER)

10509

FEDERAL RESERVE SYSTEM

12 CFR Parts 208 and 225

[Docket No. R-0685]

Regulation H, Regulation Y—Appraisal Standards for Federally Related Transactions

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final Rule; Revision of Compliance Date.

SUMMARY: The Board published a final rule at page 27762 of the issue for Thursday, July 5, 1990 (FR Doc. 90-15401), that contains a compliance date of July 1, 1991, regarding the use of state certified or licensed appraisers in federally related transactions. That compliance date is being revised by the Board to December 31, 1992, in response to section 472 of the Federal Deposit Insurance Corporation Improvement Act of 1991.

DATES: *Effective Date:* January 2, 1992. *Compliance Date:* State certified or licensed appraisers, as appropriate, must be used for federally related transactions by December 31, 1992.

FOR FURTHER INFORMATION CONTACT: Roger T. Cole, Assistant Director (202/452-2618), Stanley B. Rediger,

Supervisory Financial Analyst (202/452-2629), or Virginia M. Gibbs, Senior Financial Analyst (202/452-2521), Division of Banking Supervision and Regulation; or Michael J. O'Rourke, Senior Attorney (202/452-3288), Legal Division. For the hearing impaired *only*, Telecommunications Device for the Deaf (TDD), contact Dorthea Thompson (202/452-3544).

SUPPLEMENTARY INFORMATION: Pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), 12 U.S.C. sections 3310, 3331-3351, the Board adopted a final rule regarding Appraisal Standards For Federally Related transactions (12 CFR parts 208 and 225) on June 27, 1990. The Board's rule contains two compliance dates: the compliance date of August 9, 1990, for adherence to minimal appraisal standards, and the compliance date of July 1, 1991 (subsequently extended to December 31, 1991), for the use of state certified or licensed appraisers. Title XI's provisions regarding the mandatory use of state certified or licensed appraisers was amended by section 472 of the Federal Deposit Insurance Corporation Improvement Act of 1991, (Pub. L. No. 102-242, Section 472, 105 Stat. 2236, 2386) (December 19, 1991). That amendment changed the compliance date in Section

1119(a) of Title XI regarding the mandatory use of certified or licensed appraisers in federally related transactions from "not later than July 1, 1991," to "not later than December 31, 1992." To reflect the change contemplated by the amendment to Title XI of FIRREA, the Board is revising the compliance date in its appraisal regulation regarding the mandatory use of state certified or licensed appraisers in federally related transactions to December 31, 1992. The impact of this amendment on financial institutions regulated by the Board is that the Board's regulatory requirements regarding the mandatory use of state certified or licensed appraisers in federally related transactions will not be effective until December 31, 1992. Under section 472's amendment to Title XI, however, states remain free to adopt their own implementation date for state appraiser licensing and certification requirements prior to December 31, 1992.

(12 U.S.C. 321; 12 U.S.C. 1844(b); 12 U.S.C. 3339, 3340.)

Board of Governors of the Federal Reserve System, December 26, 1991.

William W. Wiles,
Secretary of the Board.

[FR Doc. 91-31287 Filed 12-31-91; 8:45 am]

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