



January 28, 2020

The Honorable Rodney E. Hood Chairman
National Credit Union Administration 1775
Duke Street
Alexandria, VA 22314

Re: Rulemaking to Increase the Residential Real Estate Appraisal Threshold

Dear Chairman Hood:

On behalf of the 2.2 million credit union members we represent, the Heartland Credit Union Association (HCUA) appreciates the opportunity to comment on increasing the threshold for which an appraisal is required for a residential real estate transaction.

In July, the Board adopted a final rule to implement changes to the NCUA's regulations pertaining to appraisals (Appraisal Final Rule); some of those changes were required by the Economic Growth, Regulatory Relief, and Consumer Protection Act (Growth Act). As required by the Growth Act, the Appraisal Final Rule provided an exemption from obtaining an appraisal for certain real estate transactions involving property in rural areas. In addition, relying on authority under Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the Board increased the threshold above which appraisals are required for commercial real estate transactions. These and other changes in the Appraisal Final Rule have had a positive impact on credit unions and their ability to serve their members.

While the recent changes to the NCUA's appraisal regulations have been helpful, we ask the agency to pursue additional changes to decrease unnecessary regulatory burden on credit unions and their members. Specifically, we urge the Board to issue a rulemaking to increase the threshold for which an appraisal is required for a residential real estate transaction. We support increasing the current threshold to at least \$400,000.

The time and expense associated with residential appraisals is often significant for homebuyers; increasing the threshold to at least \$400,000 will have a substantial benefit on credit union members seeking to obtain a mortgage. Such action would also address a competitive disadvantage that was created when Federal banking regulators recently raised this threshold for banks to \$400,000. Lastly, the Board has express authority under Title XI of FIRREA to increase the residential real estate appraisal threshold.

As always, we appreciate the opportunity to review this issue. We will be happy to respond to any questions regarding these comments.

Sincerely,

A handwritten signature in black ink that reads "Bradley D. Douglas". The signature is written in a cursive, flowing style.

Brad Douglas
President/CEO

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