

# LENDERS UPDATE™

A MONTHLY SERVICE TO THE MORTGAGE LENDING INDUSTRY

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## AN ALT & ASSOCIATES NEWSLETTER

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### **NEW APPRAISAL RULE**

Today the Federal Reserve Board announced an Interim Final Rule to ensure that Real Estate Appraisers are free to use their “independent professional judgment” in assigning home values, without influence or pressure from those with an interest in the final result.

Some of the provisions of the Interim Rule:

- Prohibit coercion designed to cause appraisers to base values on factors other than their independent judgment,
- Prohibit appraisers hired by lenders from having financial or other interests in the property or the credit transactions,
- Prohibit creditors from extending credit based on flawed appraisals, and
- Require the payment of reasonable and customary compensation to appraisers.

This Interim Final Rule was required by the Dodd-Frank Wall Street Reform and Consumer Protection Act. Compliance will be mandatory next April.

**We will have a detailed summary available to you in the next couple of days.**

**In the meantime if you wish to see the entire 132 pages you can go to:**

**[www.federalreserve.gov](http://www.federalreserve.gov) and click the menu item under “Recent Developments” entitled “Federal Reserve Announces Interim Rule”.**

**More in a couple of days.**

**Our Lenders Update is published via e-mail as a complimentary service to our friends and clients in the financial industry throughout California and the United States. Only those persons who have requested this newsletter are on our mailing list. Should you have colleagues who wish to receive this complimentary service, please have them e-mail us at**

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**ALT & ASSOCIATES provides regulatory, compliance, operational advice and transactional assistance, as well as litigation representation, to the financial services industry. Over the past two decades, members of the firm have represented Institutional Lenders and Mortgage Bankers and Brokers in all aspects of their operations. If you have any questions please contact:**

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