

# CFPB video guidance to the 2013 Mortgage Servicing Rules

## Transcript

### **Ben Olson:**

Hello, I'm Ben Olson and I'm the Deputy Assistant Director for Regulations at the Consumer Financial Protection Bureau. And now we'll be talking about two final rules issued by the Bureau in January in 2013 on appraisals.

Both of these rules are effective on January 18th, 2014. This is staff guidance and not any official interpretation of the Bureau or any legal advice.

So the Bureau issued actually two final rules on appraisals in January. The first was an interagency rule amending the Truth in Lending Act and Regulation Z. This rule imposed new appraisal requirements for certain higher priced mortgage loans and this is implementing provisions of the Dodd-Frank Act.

What is required now for these types of loans is a physical interior appraisal by a certified or licensed appraiser who produces a written report, a copy of which must be provided to the consumer free of charge. In addition, for properties that have been flipped or resold at an increase in value in the prior 180 days there is a requirement that a second such appraisal be obtained.

The second appraisals rule was issued by the Bureau alone and it amends Regulation B, which implements the Equal Credit Opportunity Act. This implements a Dodd-Frank Act amendment that requires that consumers receive a free copy of an appraisal or valuation. And this rule, unlike the interagency TILA rule, which applies only to certain higher priced mortgage loans, applies to all first lien loans. And in addition, it applies not just to appraisals but to other valuations such as automated valuations or broker price opinions.