



The Bureau's Mortgage Origination Rules FAQs related to the COVID-19 Emergency

This is a Compliance Aid issued by the Consumer Financial Protection Bureau. The Bureau published a Policy Statement on Compliance Aids, available at <https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/policy-statement-compliance-aids/>, that explains the Bureau's approach to Compliance Aids.

ECOA Valuations Rule

QUESTION 1:

Under the Equal Credit Opportunity Act (ECOA) and its implementing Regulation B, creditors are required to provide applicants for first-lien loans on a dwelling with copies of appraisals, as well as other written valuations (collectively, “valuations”), developed in connection with the application (the “ECOA Valuations Rule”).¹ Is there flexibility under the ECOA Valuations Rule for when creditors must provide valuations to applicants?

ANSWER (UPDATED 4/29/2020):

Yes. The ECOA Valuations Rule already includes flexibility that allows an applicant to waive certain timing requirements of the Rule. For valuations developed in connection with an application that are subject to the ECOA Valuations Rule, creditors must generally provide applicants with copies of all valuations promptly upon completion, or three business days prior

¹ 15 U.S.C. 1691(e) and 12 CFR 1002.14.

to consummation of the transaction (for closed-end credit) or account opening (for open-end credit), whichever is earlier.² However, as noted in a September 14, 2018 Statement on Supervisory Practices Regarding Financial Institutions and Consumers Affected by a Major Disaster or Emergency, the ECOA Valuations Rule permits an applicant to waive the timing requirement through an affirmative oral or written statement and agree to receive any copy at or before consummation or account opening, except where otherwise prohibited by law.³ This regulatory flexibility available under the ECOA Valuations Rule can expedite access to credit secured by a first lien on a dwelling for consumers affected by the COVID-19 pandemic.

For more information about the ECOA Valuations Rule, see the Bureau's [Equal Credit Opportunity Act \(ECOA\) Valuations Rule Small Entity Compliance Guide](#), the [ECOA Valuation Rule Transaction Coverage Factsheet](#) and the [Delivery of Appraisals Factsheet](#).

² 12 CFR 1002.14(a)(1).

³ *Id.*; comment 14(a)(1)-6. The waiver must generally be obtained at least three business days prior to consummation or account opening unless it pertains solely to the receipt of a copy of an appraisal or other written valuation that contains only clerical changes from a copy that was already provided to the applicant three or more business days prior to consummation or account opening.