



October 26, 2017

**To:** Clients and Friends

**From:** Daniel S. Engle

**Subject:** Temporary Exceptions to Appraisal Requirements for Depository Institutions Making Loans in Disaster Areas Impacted by Hurricanes Harvey, Irma, and Maria

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In the October 24, 2017 issue of the *Federal Register* (82 FR 49089) ([click here](#)) the Department of the Treasury’s Office of the Comptroller of the Currency, the Federal Reserve System, the Federal Deposit Insurance Corporation, and the National Credit Union Administration (collectively the “Agencies”), published a Statement and Order creating temporary exceptions to the statutory and regulatory appraisal requirements imposed on depository-institution lenders pursuant to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 for areas of the United States impacted by Hurricanes Harvey, Irma, and Maria. The exceptions will last for three years, dated from when the President declared a major disaster in an area.

For a transaction to qualify for the exception to the appraisal requirements, lenders must determine: 1) the property involved is in a location that was named as a major disaster area; (2) there is a binding commitment to fund the transaction that was entered into on or within 36 months of the date that the area was declared a major disaster; and (3) the value of the real property supports the institution’s decision to enter into the transaction. Lenders must retain documentation of their findings, and transactions will continue to be subject to review by the lenders’ management and the Agencies. Areas named by the President as major disaster areas as well as the applicable time frame in which these areas are eligible for the temporary exceptions are listed below:

***Hurricane Harvey:***

*Texas*—from August 25, 2017 to August 24, 2020 in the counties of Aransas, Austin, Bastrop, Bee, Brazoria, Calhoun, Chambers, Colorado, DeWitt, Fayette, Fort Bend, Galveston, Goliad, Gonzales, Hardin, Harris, Jackson, Jasper, Jefferson, Karnes, Kleberg, Lavaca, Lee, Liberty, Matagorda, Montgomery, Newton, Nueces, Orange, Polk, Refugio, Sabine, San Jacinto, San Patricio, Tyler, Victoria, Walker, Waller, and Wharton.

***Hurricane Irma:***

*Florida*—from September 10, 2017 to September 9, 2020 in the counties of Alachua, Baker, Bradford, Brevard, Broward, Charlotte, Citrus, Clay, Collier, Columbia, DeSoto, Dixie, Duval, Flagler, Gilchrist, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lafayette, Lake, Lee, Levy, Manatee, Marion, Martin, Miami-Dade, Monroe, Nassau, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, Sarasota, Seminole, St. Johns, St. Lucie, Sumter, Suwannee, Union, and Volusia.

***Hurricane Irma continued:***

*Georgia*—from September 15, 2017 to September 14, 2020 in the counties of Camden, Chatham, and Glynn.

*Puerto Rico*—from September 10, 2017 to September 9, 2020 in the municipalities of Canóvanas, Culebra, Loíza, and Vieques.

*United States Virgin Islands*—from September 7, 2017 to September 6, 2020 in the islands of St. John and St. Thomas.

***Hurricane Maria:***

*Puerto Rico*—from September 20, 2017 to September 19, 2020 in the municipalities of Aguas Buenas, Aibonito, Arecibo, Arroyo, Barceloneta, Barranquitas, Bayamón, Caguas, Canóvanas, Carolina, Cataño, Cayey, Ceiba, Ciales, Cidra, Coamo, Comerio, Corozal, Culebra, Dorado, Fajardo, Florida, Guayama, Guaynabo, Gurabo, Humacao, Jayuya, Juana Díaz, Juncos, Las Piedras, Loíza, Luquillo, Manati, Maunabo, Morovis, Naguabo, Naranjito, Orocovis, Patillas, Ponce, Rio Grande, Salinas, San Juan, San Lorenzo, Santa Isabel, Toa Alta, Toa Baja, Trujillo Alto, Utuado, Vega Alta, Vega Baja, Vieques, Villalba, and Yabucoa.

*United States Virgin Islands*—from September 21, 2017 to September 20, 2020 in the island of St. Croix.

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