

Residential Borrowers May Receive Copy of Appraisal

December, 1991 amendments to the federal Equal Credit Opportunity Act, known as 12 USCA Section 1691(e), require a lender to provide, on written request, a copy of the appraisal report to any person who applies for a residential mortgage.

The text of the section reads:

“(e) Each creditor shall promptly furnish an applicant, upon written request by the applicant made within a reasonable period of time of the application, a copy of the appraisal report used in connection with the applicant's application for a loan that is or would have been secured by a lien on residential property. The creditor may require the applicant to reimburse the creditor for the cost of the appraisal.”

Important Notes

1. This law applies to nearly all real estate secured residential mortgage lenders, including banks, savings & loans, credit unions, mortgage bankers, mortgage brokers, mortgage originators, etc.
2. Rules promulgated by the Federal Financial Institutions Regulatory Agencies generally allow borrowers a 90-day period during which to file the written request for a copy of the appraisal. However, check with your lending institution as this time may be less.
3. The lender must supply a copy, not the original appraisal report.
4. **The residential borrower, or potential borrower, must obtain the appraisal copy from the lender, not the appraiser.**
5. Only the residential borrower, or potential borrower, has a right to receive a copy of the appraisal from the lender. Sellers, brokers, and other parties who are not the borrower have no right to obtain a copy of the appraisal.
6. **The individual, group, or entity who engaged the appraiser (i.e. ordered the appraisal) is the appraiser's client, regardless of who paid for the appraisal, or when, or how. The appraiser must comply with the client confidentiality provisions of the Uniform Standards of Professional Appraisal Practice.**
7. **The appraiser has no obligation to discuss the appraisal with the borrower, or proposed borrower or any other party outside of our client. The appraiser must comply with the confidentiality provisions of the Uniform Standards of Professional Appraisal Practice.**