

DATE: November 4, 2003

SUBJECT: SR 03-18 Independent Appraisal and Evaluation Functions

HIGHLIGHTS: The Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, Office of Thrift Supervision, and National Credit Union Administration (the agencies) are jointly issuing the attached statement on the independence of the collateral valuation process. The purpose of the statement is to serve as a reminder to regulated institutions that there needs to be an effective, independent real estate appraisal and evaluation program for all of their lending functions. This includes all real estate-related financial transactions originated or purchased by a regulated institution for its own portfolio or as assets held for sale. The statement should be reviewed in conjunction with each agency's appraisal and real estate lending regulations and the Interagency Appraisal and Evaluation Guidelines.

DOCUMENT

LOCATION: <http://www.federalreserve.gov/boarddocs/srletters/2003/sr0318.htm>

**FURTHER
INFORMATION:**

Scott Smith, Supervisory Examiner
Banking Supervision and Regulation Department
(314) 444-8836 or 1-800-333-0810, ext. 448836.