



Illinois Department of Financial and Professional Regulation

Division of Financial Institutions

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Guidance To State Chartered Credit Unions Regarding Appraisal Threshold

On April 16, 2020, the National Credit Union Administration (NCUA) Board promulgated a final rule to increase the residential appraisal threshold from \$250,000 to \$400,000 subject to certain exceptions for federal credit unions. The rule was published in the Federal Register on April 30, 2020 and is immediately effective.¹

Section 65 of the Illinois Credit Union Act provides, “After the effective date of this Act, any credit union incorporated under the laws of this State shall have all of the rights, privileges and benefits which may be exercised by a federal credit union; provided, however, that the exercise of such rights, privileges and benefits may not violate any provision of this Act. In order to give effect to this provision, the Secretary shall, where necessary, promulgate rules and regulations in substantial conformity with those promulgated by the NCUA under the Federal Credit Union Act.”² 205 ILCS 305/65

Title 38, Section 190.140(h)(1)(c) of the Illinois Administrative Code requires only a written estimate of market value of the property securing the loan for transactions of \$250,000 and less and an appraisal of the property securing the loan by a state certified or licensed appraiser for transactions above \$250,000.

The Department of Financial and Professional Regulation (“Department”) intends to promulgate a rule in substantial conformity with the rule promulgated by the NCUA under the Federal Credit Union Act referenced above. While the rule is being promulgated by the Department and until it is made final and effective, the Department does not intend to take adverse supervisory or enforcement action against an Illinois state-chartered credit union for using a written estimate of market value of the property securing the loan for transactions of \$400,000 and less.

¹See <https://www.federalregister.gov/documents/2020/04/30/2020-08433/real-estate-appraisals>

² See 205 ILCS 305/65.

This guidance does not amend the Illinois Credit Union Act, the Illinois Administrative Code, or any other requirement of state or federal law. It describes certain situations where, for a limited period of time, the Illinois Department of Financial and Professional Regulation does not intend to take adverse supervisory or enforcement action against a licensee.

DATED THIS 1ST DAY OF MAY 2020

ILLINOIS DEPARTMENT OF FINANCIAL & PROFESSIONAL REGULATION

By: 

DEBORAH HAGAN, SECRETARY