Is this a subsequent transaction involving an existing extension of credit?

- Yes
  - Is new money advanced?
    - Yes
      - Has there been a material change in the market or property?
        - Yes, an appraisal is required
        - No, an evaluation is allowed.
    - No
      - At a minimum, an evaluation is required.
      - Yes, an appraisal is required
      - No, an evaluation is allowed.
  - No
    - Is the transaction equal to or less than $250,000?
      - Yes, an evaluation is allowed.
      - No, an appraisal is required unless another exemption applies.
    - Is the transaction greater than $1 million?
      - Yes, an appraisal is required unless another exemption applies.
      - No, an appraisal is required unless another exemption applies.
      - No. Is it a business loan and is the loan repayment from the sale of the property or rental income?
        - No, an evaluation is allowed.
        - Yes, an appraisal is required unless another exemption applies.
  - No
    - Consider whether the transaction involves a loan purchase or participation.
      - Yes, an appraisal is required unless another exemption applies.
      - No, an evaluation is allowed.

The institution may rely on the appraisal obtained at origination if the appraisal complies with the regulation.

Refer to 12 CFR 208 subpart E and 12 CFR 225 subpart G.

Examples of other appraisal exemptions include: a lien on real estate has been taken as an abundance of caution, the transaction is not secured by real estate, a lien on real estate has been taken for purposes other than the real estate’s value.