



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-90-2005
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RESIDENTIAL TRACT DEVELOPMENT LENDING

Frequently Asked Questions

Summary: The federal banking, thrift and credit union regulatory agencies are issuing the attached frequently asked questions (FAQs) on residential tract development lending. The FAQs will assist institutions in complying with the agencies' appraisal and real estate lending requirements for residential tract developments.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
Compliance Officer
Chief Lending Officer
Chief Appraiser
Legal Counsel

Related Topics:

Part 323 – Appraisal Regulations
Interagency Appraisal and Evaluation Guidelines
Part 365 – Real Estate Lending Regulations
Interagency Guidelines for Real Estate Lending Policies

Attachment:

Frequently Asked Questions on Residential Tract Development

Contact:

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Note:

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at
www.fdic.gov/news/news/financial/2005/index.html.

To receive FILs electronically, please visit
<http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (1-877-275-3342 or 02-416-6940).

Highlights:

The attached document addresses common questions about appraisal and real estate lending requirements for financing residential construction in a tract development.

Institutions should review these FAQs in conjunction with the following:

- FDIC Part 323 Appraisal Regulations
<http://www.fdic.gov/regulations/laws/rules/2000-4300.html>
- Interagency Appraisal and Evaluation Guidelines (1994)
<http://www.fdic.gov/regulations/laws/rules/5000-4800.html#5000interagencyaae>
- Part 365 Real Lending Standards and Interagency Guidelines for Real Estate Lending Policies
<http://www.fdic.gov/regulations/laws/rules/2000-8700.html>

