

Federal Deposit Insurance Corporation

550 17th Street NW, Washington, D.C. 20429-9990

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) | Highlights: |
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| 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 | 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 <u>http://www.fdic.gov/regulations/laws/rules/20 00-4300.html</u> |
| Attachment: Frequently Asked Questions on Residential Tract Development | Interagency Appraisal and Evaluation Guidelines (1994) <u>http://www.fdic.gov/regulations/laws/rules/50</u> <u>00-4800.html#5000interagencyaae</u> |
| Contact: Examination Specialist James Leitner at <u>ileitner@FDIC.gov</u> or (202) 898-6790 | Part 365 Real Lending Standards and Interagency Guidelines for Real Estate Lending Policies <u>http://www.fdic.gov/regulations/laws/rules/20</u> |
| 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. | 00-8700.html |
| To receive FILs electronically, please visit <u>http://www.fdic.gov/about/subscriptions/fil.html</u> . | |
| 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). | |
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