



Memorandum

To: Credit Union Partners

From: Member First Mortgage, LLC – Compliance Department

Date: April 4, 2022

Re: ECOA Valuation Disclosure Requirements for Denied and Withdrawn Applications

Recent examinations at several credit unions have included questions regarding providing applicants with the notice of the right to receive a copy of all written appraisals. For applicants that receive a Loan Estimate, that disclosure is included in the Loan Estimate. The issue that is in question is, how is this disclosure provided to applicants that are denied or withdrawn prior to receiving a Loan Estimate.

On May 14, 2020 the CFPB issued a Factsheet on this matter (see link below). On page 4 of the Factsheet the CFPB states the requirement to provide the disclosure within three business days of receipt applies even if the application is denied or withdrawn.

“If a creditor denies, or an applicant withdraws, an application for credit subject to § 1002.14(a)(1) within three business days of receipt of the application, the creditor is still required to provide in writing a notice of the applicant’s right to receive a copy of all written appraisals prepared in connection with the application. The creditor may choose to modify the notice of right form to make clear to the applicant that the credit application has been denied.”

[cfpb_ecoa-valuation_transaction-coverage-factsheet.pdf \(consumerfinance.gov\)](#)

For our Credit Union Partners that are providing the initial Loan Estimate, please review your internal procedures to ensure the ECOA valuation notice is being provided for all applications, even those that are denied or withdrawn within three business days.

Member First Mortgage, LLC