ATTACHMENT 1

Business Loan Appraisal Exemption Considerations for Transactions Over $250,000

Business loan appraisal exemption § 614.426(c)(2)(i)(ii)

- Is the transaction a business loan or other extension of credit to any corporation or limited partnership, business trust, joint venture, sole proprietorship, or other business entity (including farming enterprises)?
  - No → Business loan appraisal exemption is NOT APPLICABLE per §614.426(b)(2).
  - Yes →
    - Is the transaction value $1.0 million or less?
      - No → Business loan appraisal exemption is NOT APPLICABLE. Appraisal by a State-certified real estate appraiser required per §614.426(b)(1).
      - Yes →
        - "Is the transaction a business loan that is not dependent on income derived from the sale or cash rental of real estate as the primary source of repayment?"?
          - No → Business loan appraisal exemption is NOT APPLICABLE. Appraisal by a State-licensed or State-certified real estate appraiser required per §614.426(b)(1).
          - Yes → "Is the business loan for borrowers operating a small- or medium-sized business, including farming operations, where the owners are subject to the risk of operational losses?"?
            - No → Business loan appraisal exemption NOT APPLICABLE. Valuation by qualified evaluators required.
            - Yes → See 71 FR 65583.

See 59 FR 48725.