

section 1026.35(b)(2)(iv)(A) of title 12, Code of Federal Regulations;

(2) not later than 3 days after the date on which the Closing Disclosure Form, made in accordance with the final rule of the Bureau of Consumer Financial Protection entitled “Integrated Mortgage Disclosures Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z)” (78 Fed. Reg. 79730 (December 31, 2013)), relating to the federally related transaction is given to the consumer, the mortgage originator or its agent, directly or indirectly—

(A) has contacted not fewer than 3 State certified appraisers or State licensed appraisers, as applicable, on the mortgage originator’s approved appraiser list in the market area in accordance with part 226 of title 12, Code of Federal Regulations; and

(B) has documented that no State certified appraiser or State licensed appraiser, as applicable, was available within 5 business days beyond customary and reasonable fee and timeliness standards for comparable appraisal assignments, as documented by the mortgage originator or its agent;

(3) the transaction value is less than \$400,000; and

(4) the mortgage originator is subject to oversight by a Federal financial institutions regulatory agency.

**(c) Sale, assignment, or transfer**

A mortgage originator that makes a loan without an appraisal under the terms of subsection (b) shall not sell, assign, or otherwise transfer legal title to the loan unless—

(1) the loan is sold, assigned, or otherwise transferred to another person by reason of the bankruptcy or failure of the mortgage originator;

(2) the loan is sold, assigned, or otherwise transferred to another person regulated by a Federal financial institutions regulatory agency, so long as the loan is retained in portfolio by the person;

(3) the sale, assignment, or transfer is pursuant to a merger of the mortgage originator with another person or the acquisition of the mortgage originator by another person or of another person by the mortgage originator; or

(4) the sale, loan, or transfer is to a wholly owned subsidiary of the mortgage originator, provided that, after the sale, assignment, or transfer, the loan is considered to be an asset of the mortgage originator for regulatory accounting purposes.

**(d) Exception**

Subsection (b) shall not apply if—

(1) a Federal financial institutions regulatory agency requires an appraisal under section 225.63(c), 323.3(c), 34.43(c), or 722.3(e) of title 12, Code of Federal Regulations; or

(2) the loan is a high-cost mortgage, as defined in section 1602 of title 15.

**(e) Anti-evasion**

Each Federal financial institutions regulatory agency shall ensure that any mortgage originator that the Federal financial institutions regulatory agency oversees that makes a signifi-

cant amount of loans under subsection (b) is complying with the requirements of subsection (b)(2) with respect to each loan.

(Pub. L. 101-73, title XI, §1127, as added Pub. L. 115-174, title I, §103, May 24, 2018, 132 Stat. 1299.)

**CHAPTER 35—RIGHT TO FINANCIAL PRIVACY**

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**§ 3401. Definitions**

For the purpose of this chapter, the term—

(1) “financial institution”, except as provided in section 3414 of this title, means any office of a bank, savings bank, card issuer as defined in section 1602(n)<sup>1</sup> of title 15, industrial loan company, trust company, savings association, building and loan, or homestead association (including cooperative banks), credit union, or consumer finance institution, located in any State or territory of the United States, the District of Columbia, Puerto Rico, Guam, American Samoa, or the Virgin Islands;

(2) “financial record” means an original of, a copy of, or information known to have been derived from, any record held by a financial institution pertaining to a customer’s relationship with the financial institution;

(3) “Government authority” means any agency or department of the United States, or any officer, employee, or agent thereof;

(4) “person” means an individual or a partnership of five or fewer individuals;

(5) “customer” means any person or authorized representative of that person who utilized or is utilizing any service of a financial institution, or for whom a financial institution is acting or has acted as a fiduciary, in relation to an account maintained in the person’s name;

(6) “holding company” means—

(A) any bank holding company (as defined in section 1841 of this title); and

(B) any company described in section 1843(f)(1) of this title;

<sup>1</sup> See References in Text note below.

(7) “supervisory agency” means with respect to any particular financial institution, holding company, or any subsidiary of a financial institution or holding company, any of the following which has statutory authority to examine the financial condition, business operations, or records or transactions of that institution, holding company, or subsidiary—

- (A) the Federal Deposit Insurance Corporation;
- (B) the Bureau of Consumer Financial Protection;
- (C) the National Credit Union Administration;
- (D) the Board of Governors of the Federal Reserve System;
- (E) the Comptroller of the Currency;
- (F) the Securities and Exchange Commission;
- (G) the Commodity Futures Trading Commission;
- (H) the Secretary of the Treasury, with respect to the Bank Secrecy Act (Public Law 91-508, title I) [12 U.S.C. 1951 et seq.] and subchapter II of chapter 53 of title 31; or
- (I) any State banking or securities department or agency; and

(8) “law enforcement inquiry” means a lawful investigation or official proceeding inquiring into a violation of, or failure to comply with, any criminal or civil statute or any regulation, rule, or order issued pursuant thereto.

(Pub. L. 95-630, title XI, §1101, Nov. 10, 1978, 92 Stat. 3697; Pub. L. 101-73, title VII, §744(b), title IX, §941, Aug. 9, 1989, 103 Stat. 438, 496; Pub. L. 101-647, title XXV, §2596(c), Nov. 29, 1990, 104 Stat. 4908; Pub. L. 106-102, title VII, §727(b)(1), Nov. 12, 1999, 113 Stat. 1475; Pub. L. 108-177, title III, §374(b), Dec. 13, 2003, 117 Stat. 2628; Pub. L. 111-203, title X, §1099(1), July 21, 2010, 124 Stat. 2105.)

#### Editorial Notes

##### REFERENCES IN TEXT

Section 1602(n) of title 15, referred to in par. (1), was redesignated section 1602(o) of title 15 by Pub. L. 111-203, title X, §1100A(1)(A), July 21, 2010, 124 Stat. 2107.

The Bank Secrecy Act, referred to in par. (7)(H), is title I of Pub. L. 91-508, Oct. 26, 1970, 84 Stat. 1114, which is classified principally to chapter 21 (§1951 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1951 of this title and Tables.

##### CODIFICATION

In par. (7)(H), “the Bank Secrecy Act (Public Law 91-508, title I) [12 U.S.C. 1951 et seq.] and subchapter II of chapter 53 of title 31” substituted for “the Bank Secrecy Act [12 U.S.C. 1951 et seq.] and the Currency and Foreign Transactions Reporting Act [31 U.S.C. 1051 et seq.] (Public Law 91-508, title I and II)”, on authority of Pub. L. 97-258, §4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

##### AMENDMENTS

2010—Par. (6). Pub. L. 111-203, §1099(1)(A), inserted “and” at end of subpar. (A), struck out “and” at end of subpar. (B), and struck out subpar. (C) which read as follows: “any savings and loan holding company (as defined in the Home Owners’ Loan Act);”.

Par. (7)(B). Pub. L. 111-203, §1099(1)(B), added subpar. (B) and struck out former subpar. (B) which read as follows: “Director, Office of Thrift Supervision;”.

2003—Par. (1). Pub. L. 108-177 inserted “, except as provided in section 3414 of this title,” before “means any office”.

1999—Par. (7)(G) to (I). Pub. L. 106-102 added subpar. (G) and redesignated former subpars. (G) and (H) as (H) and (I), respectively.

1990—Par. (6)(B). Pub. L. 101-647 substituted “section 1843(f)(1)” for “section 1842(f)(1)”.

1989—Par. (1). Pub. L. 101-73, §744(b)(1), substituted “savings association” for “savings and loan”.

Par. (6). Pub. L. 101-73, §941(3), added par. (6). Former par. (6) redesignated (7).

Par. (7). Pub. L. 101-73, §941(1), (2), redesignated former par. (6) as (7) and substituted new introductory provisions for former introductory provisions which read as follows: “‘supervisory agency’ means, with respect to any particular financial institution any of the following which has statutory authority to examine the financial condition or business operations of that institution—”. Former par. (7) redesignated (8).

Pub. L. 101-73, §744(b)(2), (3), redesignated subpars. (C) to (I) as (B) to (H), respectively, substituted “Director, Office of Thrift Supervision” for “the Federal Home Loan Bank Board” in subpar. (B), and struck out former subpar. (B) which read as follows: “the Federal Savings and Loan Insurance Corporation;”.

Par. (8). Pub. L. 101-73, §941(1), redesignated par. (7) as (8).

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective on the designated transfer date, see section 1100H of Pub. L. 111-203, set out as a note under section 552a of Title 5, Government Organization and Employees.

##### EFFECTIVE DATE

Section effective upon the expiration of 120 days after Nov. 10, 1978, see section 2101 of Pub. L. 95-630, set out as a note under section 375b of this title.

##### SHORT TITLE

Pub. L. 95-630, title XI, §1100, Nov. 10, 1978, 92 Stat. 3697, provided that: “This title [enacting this chapter] may be cited as the ‘Right to Financial Privacy Act of 1978.’”

#### § 3402. Access to financial records by Government authorities prohibited; exceptions

Except as provided by section 3403(c) or (d), 3413, or 3414 of this title, no Government authority may have access to or obtain copies of, or the information contained in the financial records of any customer from a financial institution unless the financial records are reasonably described and—

(1) such customer has authorized such disclosure in accordance with section 3404 of this title;

(2) such financial records are disclosed in response to an administrative subpoena or summons which meets the requirements of section 3405 of this title;

(3) such financial records are disclosed in response to a search warrant which meets the requirements of section 3406 of this title;

(4) such financial records are disclosed in response to a judicial subpoena which meets the requirements of section 3407 of this title; or

(5) such financial records are disclosed in response to a formal written request which meets the requirements of section 3408 of this title.

(Pub. L. 95-630, title XI, §1102, Nov. 10, 1978, 92 Stat. 3697.)