



# FannieMae

## Developing and Reporting An Appraisal - Fannie Mae Revised Appraisal Report Forms

A small, vertically oriented thumbnail of a Fannie Mae appraisal report form, showing various sections and tables.A small, vertically oriented thumbnail of a Fannie Mae appraisal report form, showing various sections and tables.A small, vertically oriented thumbnail of a Fannie Mae appraisal report form, showing various sections and tables.A small, vertically oriented thumbnail of a Fannie Mae appraisal report form, showing various sections and tables.A small, vertically oriented thumbnail of a Fannie Mae appraisal report form, showing various sections and tables.

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This document is a compilation of recent Fannie Mae Lender Announcements: 04-02, 04-03, 04-04, 04-07, and 05-02. The announcements were edited to remove non-property and appraisal sections, as they do not apply to this seminar.

Fannie Mae Revised Appraisal Forms 1004, 2055, 1004C, 1025, and 1073, as well as review forms 2000 and 2000A, update form 1004D, and Individual Unit Cooperative Form 2090 are also included.

The unedited version of the Fannie Mae Lender Announcements and all of Fannie Mae's property and appraisal forms can be viewed and downloaded at:

<http://www.efanniemae.com/>

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The property and appraisal guidelines can be found in Part XI. However, appraisers may find the sections on eligibility and project standards useful as well.

We recommend that appraisers visit our web site on a regular basis for additional announcements and other guidance. If you have any questions please feel free to contact your Fannie Mae Representative



*Announcement 04-02*

*June 1, 2004*

*Amends these Guides: Selling*

*Test Period for Revised Appraisal Report Forms*

We are continuing our efforts to enhance the property valuation and appraisal reporting processes through the development of test appraisal report forms, which will be released in stages as detailed below. These test forms are a continuation of the work we began when we developed the property valuation component of Desktop Underwriter® (DU). At that time, we developed more concise appraisal report forms, offered an exterior-only property inspection option, and reduced the amount of required appraisal report documentation. Our focus then and now is to give lenders access to a truly re-engineered and streamlined property valuation process, which enables them to more efficiently manage the overall property valuation process while maintaining property appraisal and underwriting quality.

Customers that have used the DU appraisal forms report reductions in the amount of time and costs as compared with using the standard appraisal report forms. We also received positive feedback from appraisers and lenders, including suggestions to further improve the appraisal report forms. The test forms we are now releasing incorporate those suggestions.

The form changes also further our efforts to work with state appraiser regulatory boards. As part of our quality assurance efforts, we refer unacceptable appraisal reports to the state appraiser licensing or regulatory boards for an investigation and any action they consider appropriate. As a result, we have received comments from many state appraiser boards and their investigators about the types of information that would help them in their investigations. These comments led us to re-examine the strengths and weaknesses of our appraisal report forms, and our examination provided us with the framework for consolidating and further streamlining our appraisal report forms and processes.

We would like to thank the many individuals and organizations that took the time to share their views with us, especially the Appraisal Institute for significant input on how to improve the quality of our existing appraisal report forms. This feedback has allowed us to release today the following test appraisal report forms:

- ***Uniform Residential Appraisal Report*** (Fannie Mae Test Form 1004 dated May 2004);
- ***Definitions, Statement of Limiting Conditions, and Appraiser's Certification*** (Fannie Mae Test Form 1004B dated May 2004); and
- ***Appraisal Update and/or Completion Report*** (Fannie Mae Test Form 1004D dated May 2004).

A copy of each of these test forms is attached. Any lender or appraiser who wants to participate in the testing of these report forms and/or provide comments may do so. These report forms are available for use with Desktop Underwriter-processed mortgages as well as manually-processed mortgages. Test Forms 1004 and 1004B can be used to report an appraisal of a one-unit property based on an interior and exterior property inspection. Test Form 1004D can be used for any one- to four-unit property to report an appraisal update and/or certification of completion.

Test participants should submit comments to us (either by sending them in an E-mail message addressed to [test\\_appraisal\\_forms@fanniemae.com](mailto:test_appraisal_forms@fanniemae.com) or by regular mail addressed to Fannie Mae, Test Appraisal Forms, 3900 Wisconsin Avenue, NW, Mail Stop 2H-4S-08, Washington, DC 20016) no later than **September 15, 2004**. *Lenders and appraisers may continue to use the test appraisal report forms until June 1, 2005 for purposes of satisfying Fannie Mae's appraisal requirements.*

Fannie Mae will develop and release the following test appraisal report forms for a test and comment period later this year:

- ***Exterior-Only Inspection Residential Appraisal Report;***
- ***Manufactured Home Appraisal Report;***
- ***Individual Cooperative Interest Appraisal Report;***
- ***Exterior-Only Inspection Individual Cooperative Interest Appraisal Report;***
- ***Small Residential Income Property Appraisal Report;*** and
- ***Two- to Four-Unit Residential Appraisal Field Review Report.***

## **Overview of Test Form 1004**

The *Uniform Residential Appraisal Report* (Test Form 1004) is designed for one-unit property appraisals (including individual units in condominium and PUD projects) that are based on an interior and exterior property inspection. Test Form 1004 enables the appraiser to report the results of his or her appraisal in a more concise manner than the existing *Uniform Residential Appraisal Report* (Form 1004 dated June 1993). Direct questions have been added to the report form, which require the appraiser to comment on key areas of his or her research and analysis.

Test Form 1004 requires the appraiser to report in a clear and succinct yes/no format whether the property has any physical deficiencies or conditions (such as needed repairs and deferred maintenance) and to determine if such conditions affect the livability or soundness or structural integrity of the property. In addition, the appraiser must report whether there

are any adverse environmental conditions present in the improvements, on the site, or in the immediate vicinity of the property.

The sale history analysis section of the report form has been expanded to accommodate a three-year history for the subject property and the comparable sales as well as space for reporting the appraiser's analysis of the sale and listing history. In addition, the report form requires the appraiser to identify the effective date of his or her data source(s), identify the current owner of record for the subject property as evidenced by public record data demonstrating the seller's ownership of the property for a purchase (or the borrower's ownership for a refinance transaction), provide information on any recent listing(s) for sale for the subject property, and indicate whether the listing(s) and prior sale(s) of the subject property and prior sale(s) of the comparable sales represent arm's length transactions.

The revised format enables the appraiser to report his or her conclusions in a brief but comprehensive manner, which will be more efficient for reviewing and processing. All of our standard exhibits that are used to support an appraisal based on an interior and exterior property inspection are also required when using this test form.

### **Overview of Test Form 1004B**

The *Definitions, Statement of Limiting Conditions, and Appraiser's Certification* (Test Form 1004B) was titled to reflect the major components of the expanded three-part form. The first section includes definitions (purpose and intended use, intended user, market value and unacceptable appraisal practices); the second section includes the appraiser's statement of limiting conditions; and the third section includes the appraiser's certification. The appraiser's certification was expanded to specifically address unacceptable appraisal practices and to address potential civil liability and/or criminal penalties for intentional or negligent misrepresentation(s).

A variety of enhancements also were made to both Test Forms 1004 and 1004B to help communicate our expectations for a high-quality appraisal, to strengthen the appraiser's accountability for the quality of his or her appraisal, and to help assure the appraiser's compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

### **Overview of Test Form 1004D**

The *Appraisal Update and/or Completion Report* (Test Form 1004D) is a new, multi-purpose report form for any one- to four-unit property. It can be used to update an existing appraisal if the property has not declined in value since the date of the original appraisal report, and/or to confirm that the requirements or conditions established in an appraisal report have been met. The use of Test Form 1004D will help to assure, in a standardized manner, that the appraisal update and/or certification of completion will meet our requirements and those of the USPAP.

### **Uniform Standards of Professional Appraisal Practice**

The valuation analysis performed in conjunction with Test Forms 1004 and 1004B is based

solely on the sales comparison approach to value because that generally is the most reliable indicator of value for one-unit properties. In order to reduce the time and costs associated with performing the appraisal, we do not require the appraiser to develop the cost and income approaches to value. Appraisals reported on Test Form 1004 are considered limited appraisals that are subject to the Departure Rule of the USPAP if the cost and income approaches to value would otherwise be applicable under the USPAP. An appraisal documented on Test Form 1004, however, will be considered a complete appraisal when the cost and income approaches to value are not applicable because the omission of these approaches for the particular type of appraisal assignment is not a departure from the USPAP. The appraiser's certification that appears on the *Definitions, Statement of Limiting Conditions, and Appraiser's Certification* (Test Form 1004B) assumes that the appraisal is a limited appraisal unless the appraiser specifically identifies it as a complete appraisal in the report.

Fannie Mae will continue to have its own separate appraisal requirements to supplement the minimum requirements of the USPAP and to assure that all of our specific concerns are addressed for any given appraisal. For instance, Test Forms 1004 and 1004B reflect our analysis and reporting requirements that are supplemental standards to the minimum requirements of the USPAP. Our report forms are designed in a way that results in an appraiser being able to be in full compliance with our requirements if he or she addresses all of the information on the forms and presents the data accurately and completely.

Although the extent of the appraisal process an appraiser is required to complete is reflected in our appraisal report forms, the forms are not designed or intended to control the appraisal process. As with all appraisal report forms, appraisers should go beyond any limitations of a particular form by reporting any additional analysis, comments, and exhibits to adequately document the valuation process and/or to support the appraiser's conclusions. The extent of the appraiser's data collection, analysis, and reporting is determined by the complexity of the appraisal assignment, not by the form or format of the report. Therefore, if the appraiser believes that either the cost or income approach to value or additional market data is necessary for a particular appraisal, the appraiser should document the supplemental analysis or market data on the report or as an exhibit to the report form.

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Lenders who have questions about this Announcement should contact their Customer Account Manager.

Pamela S. Johnson  
Senior Vice President

Attachments



*Announcement 04-03*

*June 24, 2004*

*Amends these Guides: Selling and Servicing*

*Uniform Residential Loan Application, Servicing Agreements, Commitment Pair-Offs, Prepayment Premiums, Flexible 97® Mortgages, Flexible 100™ Mortgages, Manufactured Housing Update, Test Period for Revised Appraisal Report Forms, and Possible Lapse of National Flood Insurance Authority*

This Announcement discusses Selling and Servicing Guide changes that update, clarify, or amend our current requirements or update policies that have been impacted by recent federal regulations. The topics are:

- clarification of a Federal Reserve Board requirement impacting residential loan applications;
- clarification of our requirements when a lender plans to sell a loan to Fannie Mae and another lender is the current servicer;
- changes to the lender-requested commitment pair-off process;
- clarification of our prepayment premium provisions;
- updated information regarding down payments for Flexible 97 and Flexible 100 mortgages;
- updated information on titling manufactured housing as real property;
- details concerning three test appraisal report forms; and
- selling and servicing loans should the National Flood Insurance Program Authority lapse.

## **Flexible 97 Mortgages and Flexible 100 Mortgages**

Selling Guide Part VII: Mortgage Eligibility; Chapter 1, Conventional Mortgages; Section 113, Flexible 97 Mortgages and Flexible 100 Mortgages. With the release of Desktop Underwriter® Version 5.3.1, we introduced an enhancement to the Flexible 100 mortgage by modifying the minimum contribution requirements to allow borrowers to contribute as little as \$500 of their own funds to the transaction. With the release of Desktop Underwriter Version 5.4, we announced that mortgages with LTVs up to 100 percent that have interested party contributions up to 3 percent are now eligible for MBS delivery. We are updating Section 113.01, Down Payment, to reflect these changes.

A borrower who obtains a Flexible 100 mortgage does not have to make a down payment; however, he or she must make a minimum contribution toward the payment of closing costs and prepaid items. The borrower has the option of either making a minimum contribution of at least 3 percent of the property's sales price from approved Flexible sources or making a minimum contribution of \$500 from his or her own funds. Approved Flexible sources for this 3 percent contribution may come from the borrower's personal savings; a secured loan backed by a certificate of deposit, 401(k) account, the cash value of a life insurance policy, or other real estate; a Community Seconds® subsidized second mortgage; a gift or unsecured loan from a relative, domestic partner, fiancé, or fiancée; or a gift, grant, or unsecured loan from an employer, a church, a public agency, or a nonprofit organization (other than a credit union). The borrower's minimum contribution may not come from an interested party contribution, premium pricing, or any other type of unsecured debt. Interested party contributions (or premium pricing) up to 3 percent of the property's sales price are permitted to be used to cover closing costs above the borrower's minimum contribution. Mortgages with LTVs up to 100 percent that have interested party contributions up to 3 percent are eligible for MBS delivery.

## **Manufactured Housing Update**

In Announcement 03-06, Fannie Mae stated its intention to provide lenders with information on titling manufactured housing as real property in all 50 states. To date, information on 39 states has been posted on our web site. The remainder should be available by the end of the summer. The web site provides guidance to lenders on obtaining real property liens on new or previously owned manufactured homes (and the land on which they are situated) that secure purchase money or refinance loans. It also offers information on obtaining a certificate of title to the manufactured home, if one is required, and on surrendering the certificate of title, where that is possible. To access this information on the current web site, go to [www.efanniemae.com](http://www.efanniemae.com), scroll down to Single-Family and click on Originating and Underwriting, then in the center column, under Reference Tools and Information, click on Manufactured Housing Titling. This will bring up the chart that allows users to reach information on specific states. Lenders should be aware that future changes in the web site could affect the specific procedures for access to this information.

## Test Period for Revised Appraisal Report Forms

In Announcement 04-02 dated June 1, 2004, we released three test appraisal report forms for a comment period as part of a three-stage process. We are releasing today the following test appraisal report forms as the second stage of that process:

- ***Exterior-Only Inspection Residential Appraisal Report*** (Fannie Mae Test Form 2055 dated June 2004);
- ***Individual Cooperative Interest Appraisal Report*** (Fannie Mae Test Form 1073 dated June 2004); and
- ***Exterior-Only Inspection Individual Cooperative Interest Appraisal Report*** (Fannie Mae Test Form 1075 dated June 2004).

These test forms will enable the appraiser to report the results of his or her appraisal in a more concise manner than our existing report formats. Direct questions have been added to the report forms, which require the appraiser to comment on key areas of his or her research and analysis. The revised forms require the appraiser to report in a clear and succinct yes/no format whether the property has any apparent physical deficiencies or conditions and to determine if such conditions affect the livability, soundness, or structural integrity of the property. The sale history section of the report form also has been expanded to accommodate space for a three-year history for the subject property and the comparable sales as well as space for reporting the appraiser's analysis of the listing and sale history.

The revised format allows the appraiser to report his or her conclusions in a brief but comprehensive manner, which will be more efficient for reviewing and processing. All of our standard applicable exhibits that are used to support an appraisal based on the particular property inspection type also are required when using these test forms. We made a variety of enhancements to these test forms to help communicate our expectations for a high-quality appraisal, to strengthen the appraiser's accountability for the quality of his or her appraisal, and to help ensure the appraiser's compliance with our requirements and those of the Uniform Standards of Professional Appraisal Practice.

A copy of each of these test forms is enclosed. Any lender or appraiser who wants to participate in the testing of these report forms and/or provide comments may do so. Comments can be submitted to us (either by sending them in an E-mail message addressed to [test\\_appraisal\\_forms@fanniemae.com](mailto:test_appraisal_forms@fanniemae.com) or by regular mail addressed to Fannie Mae, Test Appraisal Forms, 3900 Wisconsin Avenue, NW, Mail Stop 2H-4S-08, Washington, DC 20016) no later than **October 1, 2004**. *Lenders and appraisers may continue to use the test appraisal report forms until June 1, 2005 for purposes of satisfying Fannie Mae's appraisal requirements.*

Our goal is to consolidate the number of our appraisal report forms in order to simplify our documentation requirements for customers and their appraisers. Accordingly, when we release the final approved report forms after the test period, we will be retiring certain existing appraisal report forms and using the form numbers currently associated with those forms for different appraisal report and inspection purposes. We will have one appraisal report form for reporting an appraisal for each of the following purposes. As a result,

lenders and appraisers will be able to determine which test appraisal report forms should be used based upon the type of property and property inspection required.

- ***Uniform Residential Appraisal Report*** (Fannie Mae Test Form 1004 dated May 2004) for one-unit appraisals based on an interior and exterior property inspection;
- ***Definitions, Statement of Limiting Conditions, and Appraiser's Certification*** (Fannie Mae Test Form 1004B dated May 2004) for use with all one- to four-unit appraisal reports;
- ***Exterior-Only Inspection Residential Appraisal Report*** (Fannie Mae Test Form 2055 dated June 2004) for one-unit appraisals based on an exterior-only property inspection;
- ***Manufactured Home Appraisal Report*** (Fannie Mae Test Form 1004C to be released by August 2004) for one-unit manufactured home appraisals based on an interior and exterior property inspection;
- ***Individual Cooperative Interest Appraisal Report*** (Fannie Mae Test Form 1073 dated June 2004) for an appraisal of an individual cooperative unit based on an interior and exterior property inspection;
- ***Exterior-Only Inspection Individual Cooperative Interest Appraisal Report*** (Fannie Mae Test Form 1075 dated June 2004) for an appraisal of an individual cooperative unit based on an exterior-only property inspection;
- ***Appraisal Update and/or Completion Report*** (Fannie Mae Test Form 1004D dated May 2004) for use with all one- to four-unit appraisal reports;
- ***Small Residential Income Property Appraisal Report*** (Fannie Mae Test Form 1025 to be released by August 2004) for appraisals of two- to four-unit properties based on an interior and exterior property inspection; and
- ***Two- to Four-Unit Residential Appraisal Field Review Report*** (Fannie Mae Test Form 2000A to be released by August 2004) for appraisal field reviews for two- to four-unit appraisal reports.

## **Possible Lapse of National Flood Insurance Program Authority**

In December 2002, when it appeared that flood insurance under the National Flood Insurance Program (NFIP) would not be available after January 1, 2003 due to the fact that Congress did not provide funding prior to adjournment, Fannie Mae issued Announcement 02-14, instructing lenders on procedures to follow during the hiatus. While legislation renewing the NFIP has been passed by Congress and is awaiting Presidential signature, should NFIP authority lapse, the directions we gave lenders in Announcement 02-14 will again become applicable.

If NFIP funding is not renewed, lenders should:

- work with borrowers to ensure, to the extent possible, that applications for flood insurance and premium payments are received by FEMA prior to the date of lapse; and
- take all possible steps to facilitate issuance of coverage as soon as possible once the NFIP insurance authority is renewed, including submitting applications and tendering premiums.

Lenders should refer to Announcement 02-14 for more specific guidance.

Fannie Mae will continue, on a temporary basis, to purchase loans secured by properties located in Special Flood Hazard Areas that do not have flood insurance. This policy will apply to loans originated during the hiatus period and delivered to us until the earlier to occur of July 15, 2004 or the reauthorization of the NFIP. While Fannie Mae is willing to purchase loans under these conditions, lenders are advised to consult counsel to determine that they have requisite authority to originate or otherwise deal in such loans. Further, we strongly suggest that borrowers be advised prior to closing of their risk if a flood damages their property during the period of non-insurance.

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The changes described in this Announcement are immediately effective unless otherwise indicated. In addition, unless otherwise directed, lenders should discuss questions about the topics in this Announcement with their Customer Account Managers.

Pamela S. Johnson  
Senior Vice President

Enclosures



*Announcement 04-04*

*July 30, 2004*

*Amends these Guides: Selling and Servicing*

***Test Period for Revised Appraisal Report Forms, Property Condition and Required Repairs Guidelines, and Special Servicing Guidelines***

The purpose of this Announcement is to transmit four test appraisal and appraisal field review report forms, clarify our policies on property condition and required repairs, and describe certain policies and standards by which lenders should service Fannie Mae loans.

**Test Period for Revised Appraisal Report Forms**

In Lender Announcements 04-02 and 04-03, we released a total of six test appraisal report forms for a comment period as part of a three-stage process. Today we are releasing the following test appraisal and appraisal field review report forms as the third stage of that process:

- ***Manufactured Home Appraisal Report*** (Fannie Mae Test Form 1004C dated July 2004);
- ***Small Residential Income Property Appraisal Report*** (Fannie Mae Test Form 1025 dated July 2004);
- ***One-Unit Residential Appraisal Field Review Report*** (Fannie Mae Test Form 2000 dated July 2004); and
- ***Two- to Four-Unit Residential Appraisal Field Review Report*** (Fannie Mae Test Form 2000A dated July 2004).

These four test forms are consistent with the general format and design of the six previously released test appraisal report forms. The format allows the appraiser to report his or her appraisal or appraisal review in a more concise manner than our existing report formats. We made a variety of enhancements to these forms to help communicate our expectations for a high-quality appraisal, to strengthen the appraiser's accountability for the quality of his or her appraisal, and to help ensure the appraiser's compliance with our requirements and those of the Uniform Standards of Professional Appraisal Practice. All of our standard applicable

exhibits that are used to support an appraisal based upon the particular property inspection type also are required when using these test forms.

A copy of each of these test forms is enclosed. Any lender or appraiser who wants to participate in the testing of these report forms and/or provide comments may do so. Comments can be submitted to us (either by sending them in an E-mail message addressed to [test\\_appraisal\\_forms@fanniemae.com](mailto:test_appraisal_forms@fanniemae.com) or by regular mail addressed to Fannie Mae, Test Appraisal Forms, 3900 Wisconsin Avenue, NW, Mail Stop 2H-4S-08, Washington, DC 20016) no later than **October 1, 2004**. *Lenders and appraisers may continue to use the test report forms until June 1, 2005 for purposes of satisfying Fannie Mae's appraisal requirements.*

The following table shows each of the appraisal report forms currently released for testing and when each form should be used.

### Fannie Mae Appraisal and Appraisal Field Review Report Forms

<b>Property Type and Inspection</b>	<b>Current Form Options</b>	<b>Test Period Form Option</b>
One-unit property - appraisal based on an interior and exterior property inspection	Forms 1004 and 1004B, or Form 2055	Test Forms 1004 and 1004B
One-unit property - appraisal based on an exterior-only property inspection	Form 2055 or Form 2065	Test Forms 2055 and 1004B
One-unit property in a PUD project – appraisal based on an interior and exterior property inspection	Forms 1004 and 1004B, or Form 2055	Test Forms 1004 and 1004B
One-unit property in a PUD project – appraisal based on an exterior-only property inspection	Form 2055 or Form 2065	Test Forms 2055 and 1004B
One-unit property in a condominium project - appraisal based on an interior and exterior property inspection	Forms 1073 and 1004B, or Form 2055	Test Forms 1004 and 1004B
One-unit property in a condominium project - appraisal based on an exterior-only property inspection	Form 2055 or Form 2065	Test Forms 2055 and 1004B
One-unit manufactured home property – appraisal based on an interior and exterior property inspection	Forms 1004, 1004B and 1004C	Test Form 1004C
One-unit property in a cooperative project - appraisal based on an interior and exterior property inspection	Forms 1075 and 1004B, or Forms 2095	Test Form 1073
One-unit property in a cooperative project - appraisal based on an exterior-only property inspection	Form 2095	Test Form 1075
Two- to four-unit property - appraisal based on an interior and exterior property inspection	Forms 1025 and 1004B	Test Forms 1025 and 1004B

One-unit appraisal field review report – based on an exterior-only property inspection	Form 2000 (12-2002 version)	Test Form 2000
Two- to four-unit appraisal field review report - based on an exterior-only property inspection	Form 2000 (11-1989 version)	Test Form 2000A

When we release the final forms after the test and comment period, we will be retiring certain existing appraisal report forms, using the form numbers currently associated with those forms for different report and inspection purposes, and requiring one of the following report forms for reporting an appraisal, appraisal update and/or completion certification, or the results of an appraisal field review for each property type and inspection option:

- ***Uniform Residential Appraisal Report*** (Form 1004) for one-unit appraisals (including individual units in PUD and condominium projects) based on an interior and exterior property inspection;
- ***Exterior-Only Inspection Residential Appraisal Report*** (Form 2055) for one-unit appraisals (including individual units in PUD and condominium projects) based on an exterior-only property inspection;
- ***Manufactured Home Appraisal Report*** (Form 1004C) for one-unit manufactured home appraisals based on an interior and exterior property inspection;
- ***Individual Cooperative Interest Appraisal Report*** (Form 1073) for an appraisal of an individual cooperative unit based on an interior and exterior property inspection;
- ***Exterior-Only Inspection Individual Cooperative Interest Appraisal Report*** (Form 1075) for an appraisal of an individual cooperative unit based on an exterior-only property inspection;
- ***Small Residential Income Property Appraisal Report*** (Form 1025) for appraisals of two- to four-unit properties based on an interior and exterior property inspection;
- ***Definitions, Statement of Limiting Conditions, and Appraiser’s Certification*** (Form 1004B), which is referenced in appraisal Forms 1004, 2055, and 1025 as the standard appraiser’s certification and statement of limiting conditions;
- ***Appraisal Update and/or Completion Report*** (Form 1004D) for use with all one- to four-unit appraisal reports;
- ***One-Unit Residential Appraisal Field Review Report*** (Form 2000) for appraisal field reviews for one-unit appraisal reports; and
- ***Two- to Four-Unit Residential Appraisal Field Review Report*** (Form 2000A) for appraisal field reviews for two- to four-unit appraisal reports.

## Property Condition and Required Repairs

Selling Guide Part XI: Property and Appraisal Guidelines; Chapter 4, Reviewing the Appraisal Report; Section 405.09, Property Condition. We require the appraiser to express an opinion about the condition of the property improvements on our appraisal report forms. The appraiser must report the condition of the improvements in factual, specific terms. We believe an accurate description of the physical condition of the subject property is a critical

element in arriving at a supportable opinion of market value, as well as in the prudent underwriting of a mortgage loan. We are modifying the Selling Guide to clarify our policies on property condition and required repairs.

The appraiser is responsible for considering all factors that have an impact on value in the development of his or her opinion of market value for the subject property. The appraiser also is responsible for noting in his or her report any adverse conditions (such as, but not limited to, needed repairs; deterioration; the presence of hazardous wastes, toxic substances, or adverse environmental conditions; etc.) that were apparent during the inspection of the property *or* that he or she became aware of during the research involved in performing the appraisal. Therefore, the appraiser is expected to consider and describe the overall quality and condition of the property and identify items that require immediate repair as well as items where maintenance may have been deferred, which may or may not require immediate repair. Fannie Mae's expectation of the appraiser's property inspection for an appraisal based on an interior and exterior inspection is a complete visual inspection of the accessible areas of the property. On the other hand, an appraiser is not responsible for hidden or unapparent conditions.

We permit an appraisal to be based upon the "as is" condition of the property as long as any minor conditions, such as deferred maintenance, do not affect the livability, soundness, or structural integrity of the property, and the appraiser's opinion of value reflects the existence of these conditions. Minor conditions and deferred maintenance include worn floor finishes or carpet, minor plumbing leaks, holes in window screens, or cracked window glass. Minor conditions and deferred maintenance are typically due to normal wear and tear from the aging process and the occupancy of the property. Such conditions generally do not rise to the level of a "required repair." Nevertheless, they must be reported.

The appraiser must identify physical deficiencies that could affect the soundness, structural integrity, or livability of the property as part of his or her description of the physical condition of the property. These may include cracks or settlement in the foundation, water seepage, active roof leaks, curled or cupped roof shingles, inadequate electrical service or plumbing fixtures, etc. In situations where a condition may need repair but the appraiser may not be qualified to make that decision, the property must be appraised subject to a satisfactory inspection by a qualified professional. In such cases, the lender must have the property inspected and any material conditions repaired before it delivers the mortgage loan to us. The appraiser may be asked to revise his or her appraisal based upon the results of the inspection, in which case the appraiser would incorporate the results of the inspection and measure the impact, if any, on his or her final opinion of value.

The lender must review the appraisal report to ensure that the appraiser has not indicated any physical deficiencies or conditions that would affect the livability, soundness, or structural integrity of the property. When there are none, the lender does not need to require minor repairs to be completed before it delivers the mortgage loan to us. When improvements are incomplete or conditions exist that affect the livability, soundness, or structural integrity of the property, the property must be appraised subject to completion of the specific alterations or repairs. Additionally, the alterations or repairs must be performed, and the lender must obtain a completion report from an appraiser, before it delivers the mortgage loan to us.

Lenders must take the necessary steps to ensure that a property represents adequate collateral for the mortgage loan. In addition, we recommend that lenders disclose all known property condition issues to the borrower so that the borrower may take any necessary actions to address such issues.



*Announcement 04-07*

*November 8, 2004*

*Amends these Guides: Selling and Servicing*

*Mortgages Secured by Manufactured Homes, Fannie Mae Purchase of Indiana “High Cost Home Mortgage Loans,” Quality Assurance-Documentation Requirements, Southwestern Regional Location-Change of Physical Address, Lenders’ Analysis of the Contract For Sale and Sale History of the Subject Property, Property Flipping, Comment Period for Revised Test Appraisal Forms, Servicing Transfers, Lender-Placed Property Insurance*

This Announcement includes several Selling and Servicing Guide topics intended to clarify or amend our current requirements. The topics addressed in this Announcement are:

- additional mortgage eligibility modifications to our requirements for loans secured by manufactured homes,
- Indiana’s laws concerning “high cost home mortgage loans,”
- documentation requirements for our quality assurance process,
- change of address for Fannie Mae’s Southwestern Regional Location,
- lenders’ analysis of the contract for sale and sale history of the subject property,
- revision of our policy in response to unacceptable property flipping schemes,
- revision of test appraisal report form(s),
- requirements for servicing transfers, and
- lender-placed property insurance.

## **Mortgages Secured by Manufactured Homes**

In Announcement 03-06, we restated and revised our requirements for mortgages secured by manufactured homes. The new requirements included modifications to our mortgage eligibility and underwriting requirements, appraisal requirements, pricing adjustments, and servicing requirements. When we modified our requirements last year, we committed to look for ways to further serve this important housing sector and in particular borrowers most in need of affordable financing options for the purchase or refinance of a manufactured home.

Today, we are announcing lower down payment requirements for these mortgages. We will permit a maximum loan-to-value ratio (LTV), combined loan-to-value ratio (CLTV), or home equity combined loan-to-value ratio (HCLTV) up to and including 95% for loan terms up to and including 30-years for mortgages meeting the following criteria:

- principal residences only,
- purchase money and limited cash-out refinances, and
- mortgage insurance coverage of 35% required for LTVs of 90.01% – 95% with loan terms >20 to ≤ 30 years.

Desktop Underwriter will be updated during the first quarter of 2005 to reflect these modifications to our eligibility requirements for mortgages secured by manufactured homes. Until then, mortgage loans meeting the expanded criteria will be eligible for purchase if they receive an “Approve/Ineligible” or “Refer/Ineligible” recommendation (or for lenders participating in our Expanded Approval™ with Timely Payment Rewards® product line, an “EA-I/Ineligible” or “EA-II/Ineligible” recommendation) if the only reason for ineligibility is the LTV and loan term.

All other requirements stated in Announcement 03-06, the Selling Guide and the Servicing Guide remain in effect including eligibility, underwriting, appraisal, pricing, titling and servicing. These changes are effective for all loans *delivered to us for whole loan purchase, MBS issuance, or Early Funding on or after December 1, 2004.*

## **Purchase of Indiana “High Cost Home Mortgage Loans”**

Over the past few years, Fannie Mae and its lender partners have worked together to expand affordable homeownership, promote responsible lending practices, and combat predatory lending. Among those efforts are our standards to guard against the purchase of home mortgage loans with predatory features that were announced in Lender Letter 03-00, which includes a prohibition against the purchase of “high-cost” mortgage loans under the federal Home Ownership and Equity Protection Act (HOEPA). In that same vein, in Announcements 02-12, 03-02, 03-07, 03-12, and 04-06, we announced that we would not purchase any mortgage loans that qualify as “high-cost home loans” or “high-risk home loans” under the Georgia Fair Lending Act, New York Banking Law §6-1, Kentucky statute

§360.001, Arkansas Home Loan Protection Act, New Jersey Home Ownership Security Act of 2002, New Mexico Home Loan Protection Act, Illinois High-Risk Home Loan Act, and Massachusetts Predatory Home Loan Practices Act.

The Indiana Home Loan Practices Act (Ind. Code Ann. §§24-9-1 through 24-9-9) will become effective January 1, 2005. The Indiana law applies to owner-occupied home loans secured by property located in the State of Indiana. Effective January 1, 2005, mortgage loans may not be delivered to us if they qualify as “high cost home loans” under the Indiana law.

Pursuant to our Mortgage Selling and Servicing Contract, a seller represents and warrants that each mortgage loan it delivers conforms to all applicable requirements of our Selling Guide, which in the case of mortgage loans secured by Indiana property includes the prohibition on delivery of “high cost home loans” (as defined by the laws of Indiana), which is added to our Selling Guide by this Announcement. We expect a lender that sells us any loan secured by an Indiana property to have in place a process based upon the unique requirements of the Indiana law to ensure that it does not inadvertently deliver “high cost home loans” to us.

In addition, Fannie Mae will conduct quality assurance reviews of mortgage loans secured by properties in Indiana and will require repurchase of any determined to be “high cost home loans.”

## **Quality Assurance – Documentation Requirements**

Selling Guide Part I: Chapter 3, Exhibit 1, Post-Purchase Review Documentation-Higher-Risk Manually Underwritten Mortgages; and Servicing Guide Part VIII, Chapter 3, Exhibit 1, Underwriting Review File. Fannie Mae has revised its document delivery guidelines for loans selected for quality assurance review to add certain documents needed to complete our screening for compliance with our anti-predatory lending requirements, and, in particular, the state-specific “high cost” and “high risk” provisions stated in Announcements 02-12, 03-02, 03-07, 03-12, and 04-06. The delivery of these documents with the mortgage loan file will reduce the number of individual document requests we make of lenders as we perform our quality assurance reviews.

Specifically, the following additional documentation is required:

- final Truth-in-Lending disclosures, including Itemization of Amount Financed (if an itemization was prepared);
- Discount Point Worksheet, if applicable;
- Conventional Prepayment Penalty Worksheet, if applicable;
- RESPA Affiliated Business Disclosure, if applicable;
- Borrower’s Choice of Attorney Form, if applicable;
- Desktop Underwriter® Batch Findings Reports, if applicable;

The new Selling and Servicing Guide Exhibits are attached and revise the lenders’ loan

delivery documentation requirements. The revised Exhibits are required for loans delivered on or after December 1, 2004.

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## **Selling Guide**

### **Lenders' Analysis of the Contract For Sale and Sale History of the Subject Property**

Part XI: Property and Appraisal Guidelines, Chapter 4, Section 406, Sales Comparison Approach to Value. We are taking this opportunity to clarify our expectations of lenders in their review of appraisal reports. When a new appraisal is required for a mortgage loan that a lender delivers to Fannie Mae, we expect lenders to perform an underwriting analysis of the following:

- current contract for sale for the subject property for purchase money transactions,
- current offering or listing for sale for the subject property for both purchase and refinance transactions (if applicable),
- current ownership of the subject property for both purchase and refinance transactions, and
- sale (or transfer) history of the subject property, and comparable sales for both purchase and refinance transactions.

We require the lender's appraiser to perform the initial analysis based on data researched and analyzed as part of the appraisal process. Our appraisal report forms and the Uniform Standards of Professional Appraisal Practice currently require the appraiser to analyze and report on any current contract for sale, offering or listing for sale, and recent prior sales (or transfers) of the subject property.

It is Fannie Mae's expectation that appraisers analyze and report on the current contract for sale; offering or listing for sale; and, when the information is reasonably available, the sale (or transfer) history of the subject property, and of comparable sales for both purchase and refinance transactions. We expect appraisers to have the necessary and appropriate data sources for the area in which the property is located and to have the appropriate knowledge and experience to appraise properties in the market areas where they accept assignments. If the appraiser cannot obtain the information needed to perform the required analysis and/or does not have the knowledge and experience to appraise properties in the subject market area, he or she should not accept those appraisal assignments.

### **Property Flipping**

Part XI: Property and Appraisal Guidelines, Chapter 4, Section 406, Sales Comparison Approach to Value. Based on internal analysis and lender feedback, we are revising our policy to more specifically address the issue of property flipping. Property flipping generally refers to the process of purchasing existing properties with the intention of immediately reselling the properties for a profit. Individuals that flip properties employ a variety of different approaches to reach this objective. The primary scenario in property flipping is to identify a property that can be acquired at a discounted price then resell the property for a

profit. Some individuals hold title for months or just days, while some may only assign or sell their interest in a contract to acquire the property to a third party.

Property flipping is not illegal per se; however, when an immediate resale is attended by acts of fraud or misrepresentation, including but not limited to, appraisals with inflated property values and other misleading or fraudulent documentation, it can result in a predatory transaction. The unfortunate victim of such a predatory property flipping scheme is an uninformed homebuyer who may have paid too much for a property. This practice is problematic for Fannie Mae, our customers, and homeowners and their neighborhoods. Below we outline

- Fannie Mae's research on and experience with unacceptable property flipping schemes.
- Lenders' responsibility to review the appraiser's analysis of the contract for sale and the sale (or transfer) history of the subject property.
- Policy modifications specifically addressing property flipping which will be mandatory for loan applications taken on or after May 1, 2005.

### ***Unacceptable Property Flipping Schemes***

Property flipping generally starts with the purchase of a distressed property, which means the seller is motivated to sell at a discounted price. We have identified unacceptable property flipping schemes that involve various combinations of transactions and result in a sale of a recently acquired, distressed property for significant profit based on a misleading or fraudulent appraisal with an inflated property value. Appraisal reports used in these property flipping schemes generally contain an inadequate analysis of (i.) the offering or listing for sale for the subject property, (ii.) the contract for sale for the subject property, (iii.) the sale (or transfer) history of the subject property, and comparable sales.

Our experience and research indicate that

- Property flipping schemes generally rely on a sequence of transactions occurring in quick succession.
- Predatory property flipping schemes generally involve the assignment (or sale) of a contract for sale. They also tend to employ "back-to-back," "simultaneous," or "double" transaction closings (or double escrows in some states).
- The likelihood of fraud or misrepresentation increases when the lender is not able to identify that the property seller in a purchase money transaction (or the borrower in a refinance transaction) is the owner of the subject property based on publicly available information.
- Any meaningful analysis of the sale (or transfer) history of the subject property should start with the identification of the current owner of the property based on publicly available information.
- Lenders and their appraisers must understand the quality of, and timeliness or effective

date of, their data sources for the sale (or transfer) history of the subject property, and comparable sales in order to identify time gaps or lags.

We have identified a variety of predatory property flipping schemes that involve various combinations of techniques and transactions. The examples below are simple illustrations of two techniques. The first demonstrates the use of an assignment of a contract for sale, a fraudulent or misleading appraisal report, and “back-to-back” closings. The second involves the use of a purchase and a cash-out refinance transaction supported by misleading or fraudulent appraisals.

*Example 1:*

1. Party A executes a written agreement with property owner (Party B) to purchase a property.
2. Party A executes a written agreement to assign (or sell) his or her interest in the contract for sale to Party C.
3. Party C executes a written agreement to sell the property to an unsophisticated buyer (Party D) at an inflated price.
4. Party C helps to arrange the purchase money financing for Party D with a loan originator who knowingly assists with obtaining a misleading or fraudulent appraisal with an inflated property value and uses other misleading or fraudulent documentation.
5. The closing agent closes the transactions one after the other or “back-to-back.”
6. The closing agent records the deeds (from property owner Party B to Party C, and then from Party C to Party D) one after the other at the land records office.

*Example 2:*

1. Party A purchases a distressed property.
2. Party A executes a written agreement to sell the property to Party B.
3. Party B executes a written agreement to assign (or sell) his or her interest in the contract for sale to an unsophisticated buyer (Party C) at an inflated price.
4. Party B helps to arrange purchase money financing as well as cash-out refinance financing for Party C with a loan originator who knowingly assists with obtaining misleading or fraudulent appraisals with inflated property values and uses other misleading or fraudulent documentation.
5. The closing agent closes the transactions one after the other or “back-to-back” with the cash-out refinance transaction as the last transaction in the series.
6. The closing agent records the deed from property owner Party A to Party C at the land records office.

***Policy Modification***

Based on internal analysis and lender feedback, we are revising our underwriting policy. This policy modification is not designed or intended to affect the legitimate business practice of buying real estate at a wholesale or discounted price and re-selling it for the property’s market value. The implementation of our revised underwriting policy should help homebuyers and lenders from becoming victims of predatory property flipping schemes.

Although we encourage lenders to implement this change to our policy as soon as possible, this revised underwriting policy is mandatory for loan applications taken on or after May 1, 2005.

We believe the likelihood of fraud or misrepresentation increases when the lender is not able to confirm that the property seller in a purchase money transaction (or the borrower in a refinance transaction) is the owner of the subject property based on publicly available information. Therefore, we are modifying our policy to require the lender to confirm and document in the mortgage loan file that the property seller in a purchase money transaction (or the borrower in a refinance transaction) is the owner of the subject property when a new appraisal is required. Examples of acceptable documentation include, but are not limited to, the appraiser's analysis and conclusions in the appraisal report, a copy of a recorded deed or mortgage, a recent property tax bill or tax assessment notice, a title report, a title commitment or binder, or a property sale history report. This documentation is especially important for transactions involving an assignment (or sale) of a contract for sale and/or "back-to-back," "simultaneous," or "double" transaction closings (or double escrows) to support the property acquisition, financing, and closing.

As stated above, when a new appraisal is required, we expect the lender to perform an underwriting analysis of the current contract for sale for the subject property (for purchase money transactions), the current offering or listing for sale for the subject property (for both purchase and refinance transactions, if applicable), the current ownership of the subject property (for both purchase and refinance transactions), and the sale (or transfer) history of the subject property, and comparable sales (for both purchase and refinance transactions). As part of the loan origination process, it is critical for the lender to analyze and review the sale(s) of the subject property and the sale price trend in relation to the appraiser's opinion of value to confirm that they are reasonable and representative of the market.

We believe that confirming and documenting the current owner of the property based on publicly available information as part of the loan origination process will help to ensure a more meaningful analysis of the sale (or transfer) history of the subject property. This policy modification will ensure that lenders and their appraisers understand the quality and timeliness of their data sources, identify time gaps in, and assess the accuracy of, their data sources.

## **Comment Period for Revised Test Appraisal Report Forms**

Part XI: Property and Appraisal Guidelines, Chapter 2, Appraisal (or Property Inspection) Documentation. In Lender Announcements 04-02, 04-03 and 04-04, we released a total of ten test appraisal and appraisal field review report forms for a comment period that ended on October 1, 2004. We would like to thank the many customers, appraisers, and organizations that took the time to share their views with us, especially the Appraisal Institute for significant input on how to improve the quality of the original test forms. As a result of that feedback, we have revised the test forms. Today we are releasing the following 11 revised versions of the test forms for an additional short comment period as the next stage of this process:

- ***Uniform Residential Appraisal Report*** (Form 1004) for one-unit appraisals (including individual units in PUD projects) based on an interior and exterior property inspection;
- ***Exterior-Only Inspection Residential Appraisal Report*** (Form 2055) for one-unit appraisals (including individual units in PUD projects) based on an exterior-only property inspection;
- ***Manufactured Home Appraisal Report*** (Form 1004C) for one-unit manufactured home appraisals based on an interior and exterior property inspection;
- ***Individual Condominium Unit Appraisal Report*** (Form 1073) for an appraisal of an individual condominium unit based on an interior and exterior property inspection;
- ***Exterior-Only Inspection Individual Condominium Unit Appraisal Report*** (Form 1075) for an appraisal of an individual condominium unit based on an exterior-only property inspection;
- ***Individual Cooperative Interest Appraisal Report*** (Form 2090) for an appraisal of an individual cooperative unit based on an interior and exterior property inspection;
- ***Exterior-Only Inspection Individual Cooperative Interest Appraisal Report*** (Form 2095) for an appraisal of an individual cooperative unit based on an exterior-only property inspection;
- ***Small Residential Income Property Appraisal Report*** (Form 1025) for appraisals of two- to four-unit properties based on an interior and exterior property inspection;
- ***Appraisal Update and/or Completion Report*** (Form 1004D) for use with all one- to four-unit appraisal reports;
- ***One-Unit Residential Appraisal Field Review Report*** (Form 2000) for appraisal field reviews for one-unit appraisal reports; and
- ***Two- to Four-Unit Residential Appraisal Field Review Report*** (Form 2000A) for appraisal field reviews for two- to four-unit appraisal reports.

The revised test forms communicate our expectations for a high-quality appraisal, strengthen the appraiser's accountability for the quality of the appraisal, and help ensure the appraiser's compliance with our requirements and those of the Uniform Standards of Professional Appraisal Practice. In addition, the revised test forms feature:

- expanded areas for comments throughout the report forms,
- optional cost and income approaches to value on most of the report forms,
- one-year sale (or transfer) history requirement for comparable sales,
- expanded area to report the appraiser's analysis of the contract for sale,
- separate appraisal report forms for units in condominium projects,
- expanded sales comparison analysis adjustment grids,
- clarification of the responsibility of the supervisory appraiser, and
- definitions, statement of assumptions and limiting conditions, and appraiser's certification as part of each report form.

You may download a copy of each of these test forms by accessing this Announcement under the “Highlights” section on the home page of [www.efanniemae.com](http://www.efanniemae.com). Comments can be submitted to us (by E-mail message addressed to [test\\_appraisal\\_forms@fanniemae.com](mailto:test_appraisal_forms@fanniemae.com) or by regular mail addressed to Fannie Mae, Test Appraisal Forms, 3900 Wisconsin Avenue, NW, Mail Stop 2H-4S-08, Washington, DC 20016) no later than **December 15, 2004**.

All of our standard applicable exhibits that are used to support an appraisal based upon the particular property inspection type are also required when using these test forms. Lenders and appraisers may continue to use the original test forms or the revised versions of the test forms until June 1, 2005 to satisfy Fannie Mae’s appraisal requirements.



*Announcement 05-02*

*March 24, 2005*

*Amends these Guides: Selling*

*Final Appraisal Report Forms*

#### **Part XI: Property and Appraisal Analysis Guidelines**

In Lender Announcement 04-07 dated November 8, 2004, we released a total of eleven test appraisal and appraisal review report forms for a comment period that ended on December 15, 2004. We received hundreds of comments on how to further improve the quality of those forms. We would like to thank the many lenders, appraisers, and organizations that took the time to share their significant recommendations with us, especially the Appraisal Institute, the Appraisal Standards Board of The Appraisal Foundation, the Manufactured Housing Institute, the Association of Appraiser Regulatory Officials, the Appraisal Subcommittee of the National Association of Realtors, the American Guild of Appraisers of the AFL-CIO, the National Association of Independent Fee Appraisers, and the state appraiser licensing and regulatory boards. With that feedback, we made several improvements and are now releasing the eleven final report forms:

- ***Uniform Residential Appraisal Report*** (Form 1004 dated March 2005) for an appraisal of a one-unit property (including an individual unit in a PUD project) based on an interior and exterior property inspection;
- ***Exterior-Only Inspection Residential Appraisal Report*** (Form 2055 dated March 2005) for an appraisal of a one-unit property (including an individual unit in a PUD project) based on an exterior-only property inspection;
- ***Manufactured Home Appraisal Report*** (Form 1004C dated March 2005) for an appraisal of a one-unit manufactured home (including a manufactured home in a PUD, condominium or cooperative project) based on an interior and exterior property inspection;
- ***Individual Condominium Unit Appraisal Report*** (Form 1073 dated March 2005) for an appraisal of an individual condominium unit based on an interior and exterior property inspection;

- ***Exterior-Only Inspection Individual Condominium Unit Appraisal Report*** (Form 1075 dated March 2005) for an appraisal of an individual condominium unit based on an exterior-only property inspection;
- ***Individual Cooperative Interest Appraisal Report*** (Form 2090 dated March 2005) for an appraisal of an individual cooperative unit based on an interior and exterior property inspection;
- ***Exterior-Only Inspection Individual Cooperative Interest Appraisal Report*** (Form 2095 dated March 2005) for an appraisal of an individual cooperative unit based on an exterior-only property inspection;
- ***Small Residential Income Property Appraisal Report*** (Form 1025 dated March 2005) for an appraisal of a two-unit to four-unit property (including a two-unit to four-unit property in a PUD, condominium or cooperative project) based on an interior and exterior property inspection;
- ***Appraisal Update and/or Completion Report*** (Form 1004D dated March 2005) for appraisal updates and/or completion reports for all one-unit to four-unit appraisal reports;
- ***One-Unit Residential Appraisal Field Review Report*** (Form 2000 dated March 2005) for appraisal field reviews for one-unit appraisal reports; and
- ***Two- to Four-Unit Residential Appraisal Field Review Report*** (Form 2000A dated March 2005) for appraisal field reviews for two-unit to four-unit appraisal reports.

These report forms are a continuation of our efforts to improve the property appraisal process that led to the development of the property valuation component of Desktop Underwriter® (DU). At that time, we developed more concise appraisal report forms, offered an exterior-only property inspection option, and reduced the amount of required appraisal report documentation. Lenders that have used the DU appraisal forms report reductions in the amount of time and costs as compared with using the standard appraisal report forms. Our focus then and now is to give lenders access to a streamlined property valuation process, which enables them to more efficiently manage the overall valuation process while maintaining property appraisal and underwriting quality.

In revising the forms, we consolidated the number of appraisal report forms in order to simplify our documentation requirements for lenders and appraisers. In addition, we have applied the more streamlined approach and reporting formats of the DU appraisal report forms to all of the revised forms. The more consistent presentation of the appraiser's research, analysis, and conclusions will help appraisers more clearly present the results of their valuation, and will enhance the lender's review of the appraisal.

We now have one appraisal report form for reporting an appraisal for each property and inspection type for both DU and manually processed mortgages. As a result, lenders and appraisers are now able to determine which report form should be used based on the type of property and property inspection required. The form changes also further our efforts to work with the state appraiser licensing or regulatory boards. As part of our quality assurance efforts, we refer unacceptable appraisal reports to the state boards for an investigation and any action they consider appropriate. We have received feedback from many state boards

and their investigators about the types of information that would help them in their investigations. Many of those observations helped us to identify the strengths and weaknesses of the report forms and provided us with the framework for consolidating and improving the forms.

Our final appraisal report forms dated March 2005 are required for appraisals performed on and after November 1, 2005. Lenders and appraisers may continue to use our existing appraisal report forms or the test forms released in 2004 until October 31, 2005. All of our standard applicable exhibits that are used to support an appraisal based on the particular property inspection type are required when using these report forms.

You may download a copy of each of these report forms by accessing this Announcement on our Web site [www.efanniemae.com](http://www.efanniemae.com). Once on the home page, under Single-Family Quick Access, select Guides, then Guide Announcements, and then All 2005 Guide Announcements.

## **Overview of Key Modifications**

The primary enhancements to the report forms are designed to help communicate our expectations for the property valuation and appraisal reporting processes, clarify the appraiser's accountability for the quality of his or her appraisal, and help ensure the appraiser's compliance with our requirements and those of the Uniform Standards of Professional Appraisal Practice.

The revised format enables the appraiser to report the results of the valuation in a brief but comprehensive manner, which will be more efficient for reviewing and processing than our existing forms. Also, the expanded areas for comments throughout the forms should help to eliminate the need for additional addenda and attachments. Direct questions have been added to the report forms that require the appraiser to report his or her analysis and conclusions on key areas in a clear and succinct yes/no format to address whether:

- the subject property is currently offered for sale or if it was offered for sale in the twelve months prior to the effective date of the appraisal;
- the appraiser analyzed the contract for sale for the subject property for a purchase money transaction;
- the subject property has any adverse physical deficiencies or conditions such as (but not limited to) needed repairs, and whether such conditions affect the livability, soundness, or structural integrity of the property;
- the subject property generally conforms to the neighborhood; and
- the appraiser researched, analyzed and reported on the sale (or transfer) history for the subject property and comparable sales.

Each of the revised appraisal report forms includes the purpose of the appraisal, scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and appraiser's certification. The appraiser's certification on each of the revised appraisal report forms was expanded to more clearly communicate our expectations of the appraisal and appraisal reporting process. In addition, new certifications were

developed to:

- affirm that the appraiser has the appropriate knowledge and experience to appraise the particular type of property in the market area;
- clarify the permitted disclosure or distribution of the appraisal report and the parties that may rely on the appraisal report as part of a mortgage finance transaction; and
- acknowledge that any intentional or negligent misrepresentation may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both.

## **Overview of New Report Forms**

The *Manufactured Home Appraisal Report* (Form 1004C dated March 2005) is a new, streamlined appraisal report form for reporting an appraisal of a manufactured home. The *Manufactured Home Appraisal Report Addendum* (Form 1004C dated June 2003) has been retired. The revised Form 1004C will be more efficient for reporting the results of the appraiser's research, analysis, and conclusions and for the lender's review of the appraisal report.

The *Appraisal Update and/or Completion Report* (Form 1004D dated March 2005) is a new, multi-purpose report form for any one-unit to four-unit property. It can be used to update an existing appraisal if the property has not declined in value since the date of the original appraisal report, and/or to confirm that the requirements or conditions established in an appraisal report have been met. The use of Form 1004D will help to ensure, in a standardized manner, that the appraisal update and/or certification of completion will meet our requirements and those of the Uniform Standards of Professional Appraisal Practice.

The *Two- to Four-Unit Residential Appraisal Field Review Report* (Form 2000A dated March 2005) is a new appraisal field review report for two-unit to four-unit properties. It is designed to complement the revised *Small Residential Income Property Appraisal Report* (Form 1025 dated March 2005), which is a streamlined appraisal report form for two-unit to four-unit properties. It features a more user-friendly comparable rental data analysis, subject property rent schedule, and sales comparison analysis with adjusted as well as unadjusted units of comparison.

## **Uniform Standards of Professional Appraisal Practice**

The valuation analysis performed in conjunction with our appraisal report forms is based on the sales comparison approach to value because that generally is the most reliable indicator of value for one-unit to four-unit properties. In order to reduce the time and costs associated with performing the appraisal, we do not require the appraiser to develop the cost and income approaches to value for all appraisal assignments.

Appraisals reported on our report forms are considered limited appraisals that are subject to the Departure Rule of the Uniform Standards of Professional Appraisal Practice (USPAP) if the cost and income approaches to value are applicable under the USPAP and they are not developed. An appraisal reported on our forms, however, will be considered a complete

appraisal when the cost and income approaches to value are not applicable because the omission of those approaches for the particular type of appraisal assignment is not a departure from the USPAP. We have identified in the appraiser's certification on certain appraisal report forms that the cost and/or income approaches to value were not developed, unless otherwise noted in the report, which is an approach that complies with the USPAP. The Appraisal Standards Board of The Appraisal Foundation has clarified that appraisers are not required to identify an appraisal as "limited" or "complete" in the report. However, the appraiser is required to disclose in the appraisal report any departures from the USPAP, such as the valuation approaches not developed, that would be applicable to the particular appraisal assignment.

Fannie Mae will continue to have its own separate appraisal requirements to supplement the minimum requirements of the USPAP to ensure that all of our specific concerns are addressed for any given appraisal. The appraisal report forms reflect our requirements, which are supplemental standards to the minimum requirements of the USPAP. An appraiser will be in full compliance with our requirements if he or she addresses all of the information on the report forms and presents the data accurately and completely.

Although the extent of the appraisal process is reflected in the appraisal report forms, the forms are not designed or intended to limit the appraisal process. As with all appraisal report forms, appraisers should go beyond any limitations of a particular form by reporting any additional research or analysis they have performed, and any additional conclusions they may have, as necessary or helpful to adequately document the valuation process and/or to support the appraisal. The extent of the appraiser's research, analysis, and reporting is determined by the complexity of the appraisal assignment.

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Lenders who have questions about this Announcement or the forms should contact their Customer Account Team.

Pamela S. Johnson  
Senior Vice President

# Uniform Residential Appraisal Report

File #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	City	State	Zip Code
Borrower	Owner of Public Record	County	
Legal Description			
Assessor's Parcel #	Tax Year	R.E. Taxes \$	
Neighborhood Name	Map Reference	Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	<input type="checkbox"/> PUD	HOA \$ <input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)			
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)			
Lender/Client	Address		
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Report data source(s) used, offering price(s), and date(s).			

I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
Contract Price \$      Date of Contract      Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No      Data Source(s)
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, report the total dollar amount and describe the items to be paid.

**Note: Race and the racial composition of the neighborhood are not appraisal factors.**

Neighborhood Characteristics	One-Unit Housing Trends	One-Unit Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE      AGE	One-Unit      %
Built-Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)      (yrs)	2-4 Unit      %
Growth <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	Low	Multi-Family      %
Neighborhood Boundaries		High	Commercial      %
		Pred.	Other      %
Neighborhood Description			
Market Conditions (including support for the above conclusions)			

Dimensions	Area	Shape	View
Specific Zoning Classification		Zoning Description	
Zoning Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)			
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input type="checkbox"/> Yes <input type="checkbox"/> No      If No, describe			

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input type="checkbox"/>		Water	<input type="checkbox"/>	Street	<input type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>		Sanitary Sewer	<input type="checkbox"/>	Alley	<input type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input type="checkbox"/> No	FEMA Flood Zone	FEMA Map #	FEMA Map Date
Are the utilities and off-site improvements typical for the market area? <input type="checkbox"/> Yes <input type="checkbox"/> No      If No, describe			
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No      If Yes, describe			

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls		Floors	
# of Stories	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls		Walls	
Type <input type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area      sq. ft.	Roof Surface		Trim/Finish	
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish      %	Gutters & Downspouts		Bath Floor	
Design (Style)	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type		Bath Wainscot	
Year Built	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated		Car Storage <input type="checkbox"/> None	
Effective Age (Yrs)	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens		<input type="checkbox"/> Driveway      # of Cars	
Attic <input type="checkbox"/> None	Heating <input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities <input type="checkbox"/> Woodstove(s) #		Driveway Surface	
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other      Fuel	<input type="checkbox"/> Fireplace(s) # <input type="checkbox"/> Fence		<input type="checkbox"/> Garage      # of Cars	
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Patio/Deck <input type="checkbox"/> Porch		<input type="checkbox"/> Carport      # of Cars	
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool <input type="checkbox"/> Other		<input type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in	
Appliances <input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)					
Finished area above grade contains:      Rooms      Bedrooms      Bath(s)      Square Feet of Gross Living Area Above Grade					
Additional features (special energy efficient items, etc.)					
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.).					
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input type="checkbox"/> No      If Yes, describe					
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No      If No, describe					

# Uniform Residential Appraisal Report

File #

There are comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ \_\_\_\_\_ to \$ \_\_\_\_\_

There are comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ \_\_\_\_\_ to \$ \_\_\_\_\_

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Address										
Proximity to Subject										
Sale Price	\$		\$		\$		\$		\$	
Sale Price/Gross Liv. Area	\$	sq. ft.	\$	sq. ft.	\$	sq. ft.	\$	sq. ft.	\$	sq. ft.
Data Source(s)										
Verification Source(s)										
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	
Sale or Financing Concessions										
Date of Sale/Time										
Location										
Leasehold/Fee Simple										
Site										
View										
Design (Style)										
Quality of Construction										
Actual Age										
Condition										
Above Grade	Total	Bdms.	Baths	Total	Bdms.	Baths	Total	Bdms.	Baths	
Room Count										
Gross Living Area	sq. ft.			sq. ft.			sq. ft.			sq. ft.
Basement & Finished Rooms Below Grade										
Functional Utility										
Heating/Cooling										
Energy Efficient Items										
Garage/Carport										
Porch/Patio/Deck										
Net Adjustment (Total)										
<input type="checkbox"/> + <input type="checkbox"/> - \$ _____ <input type="checkbox"/> + <input type="checkbox"/> - \$ _____ <input type="checkbox"/> + <input type="checkbox"/> - \$ _____										
Adjusted Sale Price of Comparables										
Net Adj. % _____ Gross Adj. % \$ _____ Net Adj. % _____ Gross Adj. % \$ _____ Net Adj. % _____ Gross Adj. % \$ _____										

SALES COMPARISON APPROACH

I did  did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research  did  did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s)

My research  did  did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s)

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Date of Prior Sale/Transfer										
Price of Prior Sale/Transfer										
Data Source(s)										
Effective Date of Data Source(s)										

Analysis of prior sale or transfer history of the subject property and comparable sales

Summary of Sales Comparison Approach

Indicated Value by Sales Comparison Approach \$ \_\_\_\_\_

Indicated Value by: Sales Comparison Approach \$ \_\_\_\_\_ Cost Approach (if developed) \$ \_\_\_\_\_ Income Approach (if developed) \$ \_\_\_\_\_

RECONCILIATION

This appraisal is made  "as is",  subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed,  subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or  subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ \_\_\_\_\_, as of \_\_\_\_\_, which is the date of inspection and the effective date of this appraisal.



This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

# Uniform Residential Appraisal Report

File #

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

## **SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

### **APPRAISER**

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Email Address \_\_\_\_\_  
Date of Signature and Report \_\_\_\_\_  
Effective Date of Appraisal \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_

### ADDRESS OF PROPERTY APPRAISED

\_\_\_\_\_  
\_\_\_\_\_

APPRAISED VALUE OF SUBJECT PROPERTY \$ \_\_\_\_\_

### LENDER/CLIENT

Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
\_\_\_\_\_  
Email Address \_\_\_\_\_

### **SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Email Address \_\_\_\_\_  
Date of Signature \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_

### SUBJECT PROPERTY

- Did not inspect subject property  
 Did inspect exterior of subject property from street  
Date of Inspection \_\_\_\_\_  
 Did inspect interior and exterior of subject property  
Date of Inspection \_\_\_\_\_

### COMPARABLE SALES

- Did not inspect exterior of comparable sales from street  
 Did inspect exterior of comparable sales from street  
Date of Inspection \_\_\_\_\_

# Exterior-Only Inspection Residential Appraisal Report

File #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	City	State	Zip Code
Borrower	Owner of Public Record	County	
Legal Description			
Assessor's Parcel #	Tax Year	R.E. Taxes \$	
Neighborhood Name	Map Reference	Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	<input type="checkbox"/> PUD	HOA \$ <input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)			
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)			
Lender/Client	Address		
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Report data source(s) used, offering price(s), and date(s).			

I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
Contract Price \$      Date of Contract      Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No      Data Source(s)
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, report the total dollar amount and describe the items to be paid.

**Note: Race and the racial composition of the neighborhood are not appraisal factors.**

Neighborhood Characteristics	One-Unit Housing Trends	One-Unit Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE      AGE	One-Unit      %
Built-Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)      (yrs)	2-4 Unit      %
Growth <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	Low	Multi-Family      %
Neighborhood Boundaries		High	Commercial      %
		Pred.	Other      %
Neighborhood Description			
Market Conditions (including support for the above conclusions)			

Dimensions	Area	Shape	View
Specific Zoning Classification		Zoning Description	
Zoning Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)			
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input type="checkbox"/> Yes <input type="checkbox"/> No      If No, describe			

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input type="checkbox"/>		Water	<input type="checkbox"/>	Street	<input type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>		Sanitary Sewer	<input type="checkbox"/>	Alley	<input type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input type="checkbox"/> No	FEMA Flood Zone	FEMA Map #	FEMA Map Date
Are the utilities and off-site improvements typical for the market area? <input type="checkbox"/> Yes <input type="checkbox"/> No      If No, describe			
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No      If Yes, describe			

Source(s) Used for Physical Characteristics of Property <input type="checkbox"/> Appraisal Files <input type="checkbox"/> MLS <input type="checkbox"/> Assessment and Tax Records <input type="checkbox"/> Prior Inspection <input type="checkbox"/> Property Owner <input type="checkbox"/> Other (describe)	Data Source(s) for Gross Living Area
---	--------------------------------------

General Description	General Description	Heating / Cooling	Amenities	Car Storage
Units <input type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	<input type="checkbox"/> FWA <input type="checkbox"/> HWBB	<input type="checkbox"/> Fireplace(s) #	<input type="checkbox"/> None
# of Stories	<input type="checkbox"/> Full Basement <input type="checkbox"/> Finished	<input type="checkbox"/> Radiant	<input type="checkbox"/> Woodstove(s) #	<input type="checkbox"/> Driveway # of Cars
Type <input type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	<input type="checkbox"/> Partial Basement <input type="checkbox"/> Finished	<input type="checkbox"/> Other	<input type="checkbox"/> Patio/Deck	Driveway Surface
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Exterior Walls	Fuel	<input type="checkbox"/> Porch	<input type="checkbox"/> Garage # of Cars
Design (Style)	Roof Surface	<input type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Pool	<input type="checkbox"/> Carport # of Cars
Year Built	Gutters & Downspouts	<input type="checkbox"/> Individual	<input type="checkbox"/> Fence	<input type="checkbox"/> Attached <input type="checkbox"/> Detached
Effective Age (Yrs)	Window Type	<input type="checkbox"/> Other	<input type="checkbox"/> Other	<input type="checkbox"/> Built-in

Appliances <input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)				
Finished area <b>above</b> grade contains:	Rooms	Bedrooms	Bath(s)	Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc.)				
Describe the condition of the property and data source(s) (including apparent needed repairs, deterioration, renovations, remodeling, etc.).				

Are there any apparent physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No      If No, describe

# Exterior-Only Inspection Residential Appraisal Report

File # \_\_\_\_\_

There are \_\_\_\_\_ comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ \_\_\_\_\_ to \$ \_\_\_\_\_.

There are \_\_\_\_\_ comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ \_\_\_\_\_ to \$ \_\_\_\_\_.

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3				
Address												
Proximity to Subject												
Sale Price	\$		\$		\$		\$		\$			
Sale Price/Gross Liv. Area	\$	sq. ft.	\$	sq. ft.	\$	sq. ft.	\$	sq. ft.	\$	sq. ft.		
Data Source(s)												
Verification Source(s)												
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment		DESCRIPTION	+(-) \$ Adjustment		DESCRIPTION	+(-) \$ Adjustment			
Sale or Financing Concessions												
Date of Sale/Time												
Location												
Leasehold/Fee Simple												
Site												
View												
Design (Style)												
Quality of Construction												
Actual Age												
Condition												
Above Grade Room Count	Total	Bdms.	Baths	Total	Bdms.	Baths	Total	Bdms.	Baths	Total		
Gross Living Area	sq. ft.			sq. ft.			sq. ft.			sq. ft.		
Basement & Finished Rooms Below Grade												
Functional Utility												
Heating/Cooling												
Energy Efficient Items												
Garage/Carport												
Porch/Patio/Deck												
Net Adjustment (Total)		<input type="checkbox"/> + <input type="checkbox"/> -	\$	<input type="checkbox"/> + <input type="checkbox"/> -	\$	<input type="checkbox"/> + <input type="checkbox"/> -	\$	<input type="checkbox"/> + <input type="checkbox"/> -	\$	<input type="checkbox"/> + <input type="checkbox"/> -		
Adjusted Sale Price of Comparables		Net Adj. %		Net Adj. %		Net Adj. %		Net Adj. %		Net Adj. %		
		Gross Adj. %	\$	Gross Adj. %	\$	Gross Adj. %	\$	Gross Adj. %	\$	Gross Adj. %		

SALES COMPARISON APPROACH

I did  I did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research  did  did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s)

My research  did  did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s)

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Date of Prior Sale/Transfer										
Price of Prior Sale/Transfer										
Data Source(s)										
Effective Date of Data Source(s)										

Analysis of prior sale or transfer history of the subject property and comparable sales

Summary of Sales Comparison Approach

Indicated Value by Sales Comparison Approach \$ \_\_\_\_\_

Indicated Value by: **Sales Comparison Approach** \$ \_\_\_\_\_ **Cost Approach (if developed)** \$ \_\_\_\_\_ **Income Approach (if developed)** \$ \_\_\_\_\_

RECONCILIATION

This appraisal is made  "as is",  subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed,  subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or  subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:

**Based on a visual inspection of the exterior areas of the subject property from at least the street, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ \_\_\_\_\_, as of \_\_\_\_\_, which is the date of the inspection and the effective date of this appraisal.**



This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a visual inspection of the exterior areas of the subject property from at least the street, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

The appraiser must be able to obtain adequate information about the physical characteristics (including, but not limited to, condition, room count, gross living area, etc.) of the subject property from the exterior-only inspection and reliable public and/or private sources to perform this appraisal. The appraiser should use the same type of data sources that he or she uses for comparable sales such as, but not limited to, multiple listing services, tax and assessment records, prior inspections, appraisal files, information provided by the property owner, etc.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

**DEFINITION MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.

2. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.

4. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.

5. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a visual inspection of the exterior areas of the subject property from at least the street. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.

# Exterior-Only Inspection Residential Appraisal Report

File #

20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

## **SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

## **APPRAISER**

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Email Address \_\_\_\_\_  
Date of Signature and Report \_\_\_\_\_  
Effective Date of Appraisal \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_

ADDRESS OF PROPERTY APPRAISED

\_\_\_\_\_  
\_\_\_\_\_

APPRAISED VALUE OF SUBJECT PROPERTY \$ \_\_\_\_\_

## **LENDER/CLIENT**

Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
\_\_\_\_\_  
Email Address \_\_\_\_\_

## **SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Email Address \_\_\_\_\_  
Date of Signature \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_

## **SUBJECT PROPERTY**

- Did not inspect exterior of subject property  
 Did inspect exterior of subject property from street  
Date of Inspection \_\_\_\_\_

## **COMPARABLE SALES**

- Did not inspect exterior of comparable sales from street  
 Did inspect exterior of comparable sales from street  
Date of Inspection \_\_\_\_\_

# Manufactured Home Appraisal Report

File #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	City	State	Zip Code
Borrower	Owner of Public Record	County	
Legal Description			
Assessor's Parcel #	Tax Year	R.E. Taxes \$	
Neighborhood Name	Map Reference	Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Project Type (if applicable) <input type="checkbox"/> PUD <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Other (describe)		
Special Assessments \$	HOA \$	<input type="checkbox"/> per year <input type="checkbox"/> per month	
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)			
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)			
Lender/Client	Address		
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Report data source(s) used, offering price(s), and date(s).			

Manufactured homes located in either a condominium or cooperative project require the appraiser to inspect the project and complete the Project Information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
Contract Price \$      Date of Contract      Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No      Data Source(s)
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, report the total dollar amount and describe the items to be paid.
I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the manufacturer's invoice. Explain the results of the analysis of the manufacturer's invoice or why the analysis was not performed.
Retailer's Name (New Construction)

**Note: Race and the racial composition of the neighborhood are not appraisal factors.**

Neighborhood Characteristics	Manufactured Housing Trends	Manufactured Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	One-Unit %
Built-Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	2-4 Unit %
Growth <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	AGE (yrs)	Multi-Family %
Neighborhood Boundaries		Low	Commercial %
Neighborhood Description		High	Other %
		Pred.	
Market Conditions (including support for the above conclusions)			

Dimensions	Area	Shape	View
Specific Zoning Classification		Zoning Description	
Zoning Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)			
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe			
<b>Utilities</b>	<b>Public</b>	<b>Other (describe)</b>	<b>Public</b> <b>Other (describe)</b>
Electricity	<input type="checkbox"/>	<input type="checkbox"/>	Water <input type="checkbox"/> <input type="checkbox"/>
Gas	<input type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer <input type="checkbox"/> <input type="checkbox"/>
FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input type="checkbox"/> No		FEMA Flood Zone	FEMA Map #      FEMA Map Date
Are the utilities and off-site improvements typical for the market area? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe			
Is the site size, shape and topography generally conforming to and acceptable in the market area? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, explain			
Is there adequate vehicular access to the subject property? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe			
Is the street properly maintained? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe			
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe			

The HUD Data Plate/Compliance Certificate is located on the interior of the subject and contains, among other things, the manufacturer's name, trade/model name, year manufactured and serial number. The HUD Certification Label is located on the exterior of each section of the home.
Is the HUD Data Plate/Compliance Certificate attached to the dwelling? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, identify the location. If No, provide the data source(s) for the HUD Data Plate/Compliance Certificate information.
Is a HUD Certification Label attached to the exterior of each section of the dwelling? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, provide the data source(s) for the HUD Certification Label #'s
Manufacturer's Serial #(s)/VIN #(s)
HUD Certification Label #(s)
Manufacturer's Name      Trade/Model      Date of Manufacture
Do the Wind, Roof Load, and Thermal Zones meet the minimum HUD requirements for the location of the subject property? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, explain

# Manufactured Home Appraisal Report

File #

General Description	Foundation	Exterior Description	Interior
# of Units <input type="checkbox"/> One <input type="checkbox"/> Additions	<input type="checkbox"/> Poured Concrete <input type="checkbox"/> Concrete Runners	Skirting	Floors
# of Stories <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> Other	<input type="checkbox"/> Block & Pier <input type="checkbox"/> Other-att. description	Exterior Walls	Walls
Design (Style)	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Roof Surface	Trim/Finish
# of Sections <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Basement Area sq. ft.	Gutters & Downspouts	Bath Floor
<input type="checkbox"/> Other	Basement Finish %	Window Type	Bath Wainscot
Type <input type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Storm Sash/Insulated	Car Storage <input type="checkbox"/> None
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Evidence of <input type="checkbox"/> Infestation	Screens	<input type="checkbox"/> Driveway # of Cars
Year Built Effective Age (Yrs)	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Doors	Driveway Surface
Attic <input type="checkbox"/> None	Heating <input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities <input type="checkbox"/> WoodStove(s) #	<input type="checkbox"/> Garage # of Cars
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel	<input type="checkbox"/> Fireplace(s) # <input type="checkbox"/> Fence	<input type="checkbox"/> Carport # of Cars
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Patio/Deck <input type="checkbox"/> Porch	<input type="checkbox"/> Attached <input type="checkbox"/> Detached
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool <input type="checkbox"/> Other	<input type="checkbox"/> Built-in
Appliances <input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)			
Finished area <b>above</b> grade contains: Rooms Bedrooms Bath(s) Square Feet of Gross Living Area Above Grade			
Describe any additions or modifications (decks, rooms, remodeling, etc.)			
Installer's Name		Date Installed	Model Year
Is the manufactured home attached to a permanent foundation system? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe the foundation system and the manner of attachment.			
Have the towing hitch, wheels, and axles been removed? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, explain			
Is the manufactured home permanently connected to a septic tank or sewage system and other utilities? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, explain			
Does the dwelling have sufficient gross living area and room dimensions to be acceptable to the market? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, explain			
Additional features (special energy efficient items, non-realty items, etc.)			
The appraiser must rate the quality of construction for the subject unit based on objective criteria (such as N.A.D.A. Manufactured Housing Appraisal Guide®, Marshall & Swift Residential Cost Handbook®, or other published cost service). The appraiser must also report the source used for this quality of construction rating determination.			
Quality <input type="checkbox"/> Poor <input type="checkbox"/> Fair <input type="checkbox"/> Average <input type="checkbox"/> Good <input type="checkbox"/> Excellent Identify source of quality rating			
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.).			
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe			
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe			
Provide adequate information for the lender/client to replicate the below cost figures and calculations.			
Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)			
ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW			
Source of cost data		Effective date of cost data	Quality rating from cost service
<b>OPINION OF SITE VALUE</b>		\$	<b>Exterior Dimensions of the Subject Unit</b>
Section One	Sq. ft. @ \$	\$	X = Sq. ft.
Section Two	Sq. ft. @ \$	\$	X = Sq. ft.
Section Three	Sq. ft. @ \$	\$	X = Sq. ft.
Section Four	Sq. ft. @ \$	\$	X = Sq. ft.
		\$	Total Gross Living Area: Sq. ft.
		\$	<b>Other Data Identification</b>
		\$	N.A.D.A. Data Identification Info: Edition Mo: Yr:
<b>Sub-total:</b>		\$	MH State: Region: Size: ft. x ft.
Cost Multiplier (if applicable):		x	Gray pg. White pg. Black SVS pg.
<b>Modified Sub-total:</b>			15 years and older Conversion Chart pg. Yellow pg.
Physical Depreciation or Condition Modifier:			Comments
Functional Obsolescence (not used for N.A.D.A.):			
External Depreciation or State Location Modifier:			
Delivery, Installation, and Setup (not used for N.A.D.A.):		\$	
Other Depreciated Site Improvements:		\$	
Market Value of Subject Site (as supported above):		\$	
<b>Indicated Value by Cost Approach:</b>		\$	Estimated Remaining Economic Life (HUD and VA only) Years
Summary of Cost Approach			

# Manufactured Home Appraisal Report

File # \_\_\_\_\_

There are _____ comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ _____ to \$ _____.							
There are _____ comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ _____ to \$ _____.							
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3			
Address							
Proximity to Subject							
Sale Price		\$ _____	\$ _____	\$ _____			
Sale Price/Gross Liv. Area		\$ _____ sq. ft.	\$ _____ sq. ft.	\$ _____ sq. ft.			
Manufactured Home <input type="checkbox"/> Yes <input type="checkbox"/> No							
Data Source(s)							
Verification Source(s)							
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions							
Date of Sale/Time							
Location							
Leasehold/Fee Simple							
Site							
View							
Design (Style)							
Quality of Construction							
Actual Age							
Condition							
Above Grade		Total	Bdms.	Baths	Total	Bdms.	Baths
Room Count							
Gross Living Area		sq. ft.		sq. ft.		sq. ft.	
Basement & Finished Rooms Below Grade							
Functional Utility							
Heating/Cooling							
Energy Efficient Items							
Garage/Carport							
Porch/Patio/Deck							
Net Adjustment (Total) <input type="checkbox"/> + <input type="checkbox"/> - \$ _____							
Adjusted Sale Price of Comparables		Net Adj. %	Gross Adj. %	\$ _____	Net Adj. %	Gross Adj. %	\$ _____

SALES COMPARISON APPROACH

I did  I did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research  did  did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s)

My research  did  did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s)

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 4).

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)				
Effective Date of Data Source(s)				

Analysis of prior sale or transfer history of the subject property and comparable sales

Summary of Sales Comparison Approach

Indicated Value by Sales Comparison Approach \$ \_\_\_\_\_

**Indicated Value by:** Sales Comparison Approach \$ \_\_\_\_\_ Cost Approach \$ \_\_\_\_\_ Income Approach (if developed) \$ \_\_\_\_\_

RECONCILIATION

This appraisal is made  "as is",  subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed,  subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or  subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair.

**Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ \_\_\_\_\_, as of \_\_\_\_\_, which is the date of inspection and the effective date of this appraisal.**



This report form is designed to report an appraisal of a one-unit manufactured home; including a manufactured home in a planned unit development (PUD). A Manufactured home located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I also developed the cost approach to value as support for the sales comparison approach. I have adequate comparable market and cost data to develop reliable sales comparison and cost approaches for this appraisal assignment. I further certify that I considered the income approach to value but did not develop it, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

# Manufactured Home Appraisal Report

File #

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

**SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

## APPRAISER

Signature \_\_\_\_\_

Name \_\_\_\_\_

Company Name \_\_\_\_\_

Company Address \_\_\_\_\_

Telephone Number \_\_\_\_\_

Email Address \_\_\_\_\_

Date of Signature and Report \_\_\_\_\_

Effective Date of Appraisal \_\_\_\_\_

State Certification # \_\_\_\_\_

or State License # \_\_\_\_\_

or Other \_\_\_\_\_

State \_\_\_\_\_

Expiration Date of Certification or License \_\_\_\_\_

ADDRESS OF PROPERTY APPRAISED

APPRAISED VALUE OF SUBJECT PROPERTY \$ \_\_\_\_\_

## LENDER/CLIENT

Name \_\_\_\_\_

Company Name \_\_\_\_\_

Company Address \_\_\_\_\_

Email Address \_\_\_\_\_

## SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature \_\_\_\_\_

Name \_\_\_\_\_

Company Name \_\_\_\_\_

Company Address \_\_\_\_\_

Telephone Number \_\_\_\_\_

Email Address \_\_\_\_\_

Date Signature \_\_\_\_\_

State Certification # \_\_\_\_\_

or State License # \_\_\_\_\_

State \_\_\_\_\_

Expiration Date of Certification or License \_\_\_\_\_

## SUBJECT PROPERTY

Did not inspect subject property

Did inspect exterior of subject property from street

Date of Inspection \_\_\_\_\_

Did inspect interior and exterior of subject property

Date of Inspection \_\_\_\_\_

## COMPARABLE SALES

Did not inspect exterior of comparable sales from street

Did inspect exterior of comparable sales from street

Date of Inspection \_\_\_\_\_

# Small Residential Income Property Appraisal Report

File #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	City	State	Zip Code
Borrower	Owner of Public Record	County	
Legal Description			
Assessor's Parcel #	Tax Year	R.E. Taxes \$	
Neighborhood Name	Map Reference	Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	<input type="checkbox"/> PUD	HOA \$ <input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)			
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)			
Lender/Client	Address		
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Report data source(s) used, offering price(s), and date(s).			

I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
Contract Price \$      Date of Contract      Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No      Data Source(s)
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, report the total dollar amount and describe the items to be paid.

**Note: Race and the racial composition of the neighborhood are not appraisal factors.**

Neighborhood Characteristics	2-4 Unit Housing Trends	2-4 Unit Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE      AGE	One-Unit      %
Built-Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)      (yrs)	2-4 Unit      %
Growth <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	Low	Multi-Family      %
Neighborhood Boundaries		High	Commercial      %
		Pred.	Other      %
Neighborhood Description			
Market Conditions (including support for the above conclusions)			

Dimensions	Area	Shape	View
Specific Zoning Classification		Zoning Description	
Zoning Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)			
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input type="checkbox"/> Yes <input type="checkbox"/> No      If No, describe			

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input type="checkbox"/>	<input type="checkbox"/>	Water	<input type="checkbox"/>	Street	<input type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input type="checkbox"/>	Alley	<input type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input type="checkbox"/> No	FEMA Flood Zone	FEMA Map #	FEMA Map Date
Are the utilities and off-site improvements typical for the market area? <input type="checkbox"/> Yes <input type="checkbox"/> No      If No, describe			
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No      If Yes, describe			

General Description	Foundation	Exterior Description	materials/condition
Units <input type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Four	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Floors
<input type="checkbox"/> Accessory Unit (describe below)	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Walls
# of Stories      # of bldgs.	Basement Area      sq. ft.	Roof Surface	Trim/Finish
Type <input type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Finish      %	Gutters & Downspouts	Bath Floor
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Bath Wainscot
Design (Style)	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	<b>Car Storage</b>
Year Built	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	
Effective Age (Yrs)	<b>Heating/Cooling</b>		<input type="checkbox"/> Driveway      # of Cars
Attic <input type="checkbox"/> None	<input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	<input type="checkbox"/> Fireplace(s) # <input type="checkbox"/> Woodstove(s) #	Driveway Surface
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other      Fuel	<input type="checkbox"/> Patio/Deck <input type="checkbox"/> Fence	<input type="checkbox"/> Garage      # of Cars
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	<input type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Pool <input type="checkbox"/> Porch	<input type="checkbox"/> Carport      # of Cars
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Other	<input type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in

# of Appliances	Refrigerator	Range/Oven	Dishwasher	Disposal	Microwave	Washer/Dryer	Other (describe)
Unit # 1 contains:	Rooms	Bedroom(s)	Bath(s)	Square feet of Gross Living Area			
Unit # 2 contains:	Rooms	Bedroom(s)	Bath(s)	Square feet of Gross Living Area			
Unit # 3 contains:	Rooms	Bedroom(s)	Bath(s)	Square feet of Gross Living Area			
Unit # 4 contains:	Rooms	Bedroom(s)	Bath(s)	Square feet of Gross Living Area			
Additional features (special energy efficient items, etc.)							
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.).							

# Small Residential Income Property Appraisal Report

File # \_\_\_\_\_

IMPROVEMENTS	Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe
	Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe
Is the property subject to rent control? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe	

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.

FEATURE	SUBJECT	COMPARABLE RENTAL # 1	COMPARABLE RENTAL # 2	COMPARABLE RENTAL # 3					
Address									
Proximity to Subject									
Current Monthly Rent	\$	\$	\$	\$					
Rent/Gross Bldg. Area	\$ sq. ft.	\$ sq. ft.	\$ sq. ft.	\$ sq. ft.					
Rent Control	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No					
Data Source(s)									
Date of Lease(s)									
Location									
Actual Age									
Condition									
Gross Building Area									
Unit Breakdown	Rm Count Tot Br Ba	Size Sq. Ft.	Monthly Rent	Rm Count Tot Br Ba	Size Sq. Ft.	Monthly Rent	Rm Count Tot Br Ba	Size Sq. Ft.	Monthly Rent
Unit # 1			\$			\$			\$
Unit # 2			\$			\$			\$
Unit # 3			\$			\$			\$
Unit # 4			\$			\$			\$
Utilities Included									

Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.)

**Rent Schedule:** The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

SUBJECT RENT SCHEDULE	Leases		Actual Rent			Opinion Of Market Rent		
	Lease Date		Per Unit		Total Rent	Per Unit		Total Rent
	Unit #	Begin Date	End Date	Unfurnished		Furnished	Unfurnished	
1			\$	\$	\$	\$	\$	
2								
3								
4								
Comment on lease data			Total Actual Monthly Rent		\$	Total Gross Monthly Rent		\$
			Other Monthly Income (itemize)		\$	Other Monthly Income (itemize)		\$
			Total Actual Monthly Income		\$	Total Estimated Monthly Income		\$

Utilities included in estimated rents  Electric  Water  Sewer  Gas  Oil  Cable  Trash collection  Other (describe)

Comments on actual or estimated rents and other monthly income (including personal property)

I  did  did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research  did  did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s)

My research  did  did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s)

Report the results of the research and analysis of the prior sale history of the subject property and comparable sales (report additional prior sales on page 4).

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)				
Effective Date of Data Source(s)				

Analysis of prior sale history for the subject property and comparable sales



# Small Residential Income Property Appraisal Report

File #

ADDITIONAL COMMENTS

COST APPROACH

PUD INFORMATION

**COST APPROACH TO VALUE (not required by Fannie Mae)**

Provide adequate information for the lender/client to replicate the below cost figures and calculations.  
Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE..... = \$		
Source of cost data	Dwelling	Sq. Ft. @ \$	..... = \$
Quality rating from cost service	Effective date of cost data	Sq. Ft. @ \$	..... = \$
Comments on Cost Approach (gross building area calculations, depreciation, etc.)			
	Garage/Carport	Sq. Ft. @ \$	..... = \$
	Total Estimate of Cost-New		..... = \$
	Less	Physical	Functional
			External
	Depreciation		..... = \$( )
	Depreciated Cost of Improvements .....		= \$
	"As-is" Value of Site Improvements .....		= \$
Estimated Remaining Economic Life (HUD and VA only)	Years	Indicated Value By Cost Approach..... = \$	

**PROJECT INFORMATION FOR PUDs (if applicable)**

Is the developer/builder in control of the Homeowners' Association (HOA)?  Yes  No Unit type(s)  Detached  Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project

Total number of phases                      Total number of units                      Total number of units sold

Total number of units rented                      Total number of units for sale                      Data source(s)

Was the project created by the conversion of an existing building(s) into a PUD?  Yes  No If Yes, date of conversion

Does the project contain any multi-dwelling units?  Yes  No Data source(s)

Are the units, common elements, and recreation facilities complete?  Yes  No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association?  Yes  No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements, including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

# Small Residential Income Property Appraisal Report

File # \_\_\_\_\_

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

**SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

**APPRAISER**

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Email Address \_\_\_\_\_  
Date of Signature and Report \_\_\_\_\_  
Effective Date of Appraisal \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_

**ADDRESS OF PROPERTY APPRAISED**

\_\_\_\_\_  
\_\_\_\_\_

APPRAISED VALUE OF SUBJECT PROPERTY \$ \_\_\_\_\_

**LENDER/CLIENT**

Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
\_\_\_\_\_  
Email Address \_\_\_\_\_

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Email Address \_\_\_\_\_  
Date of Signature \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_

**SUBJECT PROPERTY**

- Did not inspect subject property  
 Did inspect exterior of subject property from street  
Date of Inspection \_\_\_\_\_  
 Did inspect interior and exterior of subject property  
Date of Inspection \_\_\_\_\_

**COMPARABLE SALES**

- Did not inspect exterior of comparable sales from street  
 Did inspect exterior of comparable sales from street  
Date of Inspection \_\_\_\_\_

# Individual Condominium Unit Appraisal Report

File #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

SUBJECT CONTRACT NEIGHBORHOOD PROJECT SITE INFORMATION

Property Address	Unit #	City	State	Zip Code
Borrower	Owner of Public Record		County	
Legal Description				
Assessor's Parcel #		Tax Year	R.E. Taxes \$	
Project Name	Phase #	Map Reference	Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	HOA \$	<input type="checkbox"/> per year <input type="checkbox"/> per month	
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)				
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)				
Lender/Client	Address			
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Report data source(s) used, offering price(s), and date(s).				

I  did  did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price \$      Date of Contract      Is the property seller the owner of public record?  Yes  No      Data Source(s)

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower?  Yes  No  
If Yes, report the total dollar amount and describe the items to be paid.

**Note: Race and the racial composition of the neighborhood are not appraisal factors.**

Neighborhood Characteristics	Condominium Unit Housing Trends	Condominium Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	One-Unit %
Built-Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	2-4 Unit %
Growth <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	AGE (yrs)	Multi-Family %
Neighborhood Boundaries		Low	Commercial %
Neighborhood Description		High	Other %
		Pred.	
Market Conditions (including support for the above conclusions)			

Topography	Size	Density	View
Specific Zoning Classification		Zoning Description	
Zoning Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming – Do the zoning regulations permit rebuilding to current density? <input type="checkbox"/> Yes <input type="checkbox"/> No			
<input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)			
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe			
<b>Utilities</b>	<b>Public</b>	<b>Other (describe)</b>	<b>Off-site Improvements—Type</b>
Electricity <input type="checkbox"/>	<input type="checkbox"/>	Water <input type="checkbox"/>	Street <input type="checkbox"/>
Gas <input type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer <input type="checkbox"/>	Alley <input type="checkbox"/>
FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input type="checkbox"/> No		FEMA Flood Zone	FEMA Map #
FEMA Map Date			
Are the utilities and off-site improvements typical for the market area? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe			
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe			

Data source(s) for project information

Project Description  Detached  Row or Townhouse  Garden  Mid-Rise  High-Rise  Other (describe)

General Description	General Description	Subject Phase	If Project Completed	If Project Incomplete
# of Stories	Exterior Walls	# of Units	# of Phases	# of Planned Phases
# of Elevators	Roof Surface	# of Units Completed	# of Units	# of Planned Units
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed	Total # Parking	# of Units For Sale	# of Units for Sale	# of Units for Sale
<input type="checkbox"/> Under Construction	Ratio (spaces/units)	# of Units Sold	# of Units Sold	# of Units Sold
Year Built	Type	# of Units Rented	# of Units Rented	# of Units Rented
Effective Age	Guest Parking	# of Owner Occupied Units	# of Owner Occupied Units	# of Owner Occupied Units

Project Primary Occupancy  Principle Residence  Second Home or Recreational  Tenant

Is the developer/builder in control of the Homeowners' Association (HOA)?  Yes  No

Management Group –  Homeowners' Association  Developer  Management Agent – Provide name of management company.

Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project?  Yes  No If Yes, describe

Was the project created by the conversion of an existing building(s) into a condominium?  Yes  No If Yes, describe the original use and the date of conversion.

Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)?  Yes  No If No, describe

Is there any commercial space in the project?  Yes  No If Yes, describe and indicate the overall percentage of the commercial space.

# Individual Condominium Unit Appraisal Report

File # \_\_\_\_\_

PROJECT INFORMATION

Describe the condition of the project and quality of construction.

Describe the common elements and recreational facilities.

Are any common elements leased to or by the Homeowners' Association?  Yes  No If Yes, describe the rental terms and options.

Is the project subject to ground rent?  Yes  No If Yes, \$ \_\_\_\_\_ per year (describe terms and conditions)

Are the parking facilities adequate for the project size and type?  Yes  No If No, describe and comment on the effect on value and marketability.

PROJECT ANALYSIS

I  did  did not analyze the condominium project budget for the current year. Explain the results of the analysis of the budget (adequacy of fees, reserves, etc.), or why the analysis was not performed.

Are there any other fees (other than regular HOA charges) for the use of the project facilities?  Yes  No If Yes, report the charges and describe.

Compared to other competitive projects of similar quality and design, the subject unit charge appears  High  Average  Low If High or Low, describe

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser?  Yes  No If Yes, describe and explain the effect on value and marketability.

UNIT DESCRIPTION

Unit Charge \$ \_\_\_\_\_ per month X 12 = \$ \_\_\_\_\_ per year Annual assessment charge per year per square feet of gross living area = \$ \_\_\_\_\_

Utilities included in the unit monthly assessment  None  Heat  Air Conditioning  Electricity  Gas  Water  Sewer  Cable  Other (describe)

General Description	Interior materials/condition	Amenities	Appliances	Car Storage
Floor #	Floors	<input type="checkbox"/> Fireplace(s) #	<input type="checkbox"/> Refrigerator	<input type="checkbox"/> None
# of Levels	Walls	<input type="checkbox"/> Woodstove(s) #	<input type="checkbox"/> Range/Oven	<input type="checkbox"/> Garage <input type="checkbox"/> Covered <input type="checkbox"/> Open
Heating Type Fuel	Trim/Finish	<input type="checkbox"/> Deck/Patio	<input type="checkbox"/> Disp <input type="checkbox"/> Microwave	# of Cars
<input type="checkbox"/> Central AC <input type="checkbox"/> Individual AC	Bath Wainscot	<input type="checkbox"/> Porch/Balcony	<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Assigned <input type="checkbox"/> Owned
<input type="checkbox"/> Other (describe)	Doors	<input type="checkbox"/> Other	<input type="checkbox"/> Washer/Dryer	Parking Space #

Finished area **above** grade contains: \_\_\_\_\_ Rooms \_\_\_\_\_ Bedrooms \_\_\_\_\_ Bath(s) \_\_\_\_\_ Square Feet of Gross Living Area Above Grade \_\_\_\_\_

Are the heating and cooling for the individual units separately metered?  Yes  No If No, describe and comment on compatibility to other projects in the market area.

Additional features (special energy efficient items, etc.)

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.).

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property?  Yes  No If Yes, describe

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)?  Yes  No If No, describe

PRIOR SALE HISTORY

I  did  did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research  did  did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s)

My research  did  did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s)

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)				
Effective Date of Data Source(s)				

Analysis of prior sale or transfer history of the subject property and comparable sales.



This report form is designed to report an appraisal of a unit in a condominium project or a condominium unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject unit, (2) inspect and analyze the condominium project, (3) inspect the neighborhood, (4) inspect each of the comparable sales from at least the street, (5) research, verify, and analyze data from reliable public and/or private sources, and (6) report his or her analysis, opinions, and conclusions in this appraisal report.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

**MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

# Individual Condominium Unit Appraisal Report

File #

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

**SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

## APPRAISER

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Email Address \_\_\_\_\_  
Date of Signature and Report \_\_\_\_\_  
Effective Date of Appraisal \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
or Other \_\_\_\_\_ State # \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_

## ADDRESS OF PROPERTY APPRAISED

\_\_\_\_\_  
\_\_\_\_\_  
APPRAISED VALUE OF SUBJECT PROPERTY \$ \_\_\_\_\_

## LENDER/CLIENT

Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
Email Address \_\_\_\_\_

## SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Email Address \_\_\_\_\_  
Date of Signature \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_

## SUBJECT PROPERTY

- Did not inspect subject property  
 Did inspect exterior of subject property from street  
Date of Inspection \_\_\_\_\_  
 Did inspect interior and exterior of subject property  
Date of Inspection \_\_\_\_\_

## COMPARABLE SALES

- Did not inspect exterior of comparable sales from street  
 Did inspect exterior of comparable sales from street  
Date of Inspection \_\_\_\_\_

# One-Unit Residential Appraisal Field Review Report

File #

The purpose of this appraisal field review report is to provide the lender/client with an opinion on the accuracy of the appraisal report under review.

Property Address	City	State	Zip Code
Borrower	Owner of Public Record	County	
Legal Description			
Assessor's Parcel #	Map Reference	Census Tract	
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)	Project Type <input type="checkbox"/> Condo <input type="checkbox"/> PUD <input type="checkbox"/> Cooperative		
Loan #	Effective Date of Appraisal Under Review	Manufactured Home <input type="checkbox"/> Yes <input type="checkbox"/> No	
Lender/Client	Address		

## SECTION I — COMPLETE FOR ALL ASSIGNMENTS

1. Is the information in the subject section complete and accurate?  Yes  No If Yes, provide a brief summary. If No, explain
2. Is the information in the contract section complete and accurate?  Yes  No  Not Applicable If Yes, provide a brief summary. If No, explain
3. Is the information in the neighborhood section complete and accurate?  Yes  No If Yes, provide a brief summary. If No, explain
4. Is the information in the site section complete and accurate?  Yes  No If Yes, provide a brief summary. If No, explain
5. Is the data in the improvements section complete and accurate?  Yes  No If Yes, provide a brief summary. If No, explain
6. Are the comparable sales selected locationally, physically, and functionally the most similar to the subject property?  Yes  No If Yes, provide a brief summary. If No, provide a detailed explanation as to why they are not the best comparable sales.
7. Are the data and analysis (including the individual adjustments) presented in the sales comparison approach complete and accurate?  Yes  No If Yes, provide a brief summary. If No, explain
8. Are the data and analysis presented in the income and cost approaches complete and accurate?  Yes  No  Not developed If No, explain
9. Is the sale or transfer history reported for the subject property and each of the comparable sales complete and accurate?  Yes  No If Yes, provide a brief summary. If No, analyze and report the correct sale or transfer history and the data source(s).
10. Is the opinion of market value in the appraisal report under review accurate as of the effective date of the appraisal report?  Yes  No If No, complete Section II.

# One-Unit Residential Appraisal Field Review Report

File # \_\_\_\_\_

**SECTION II — COMPLETE ONLY IF REVIEW APPRAISER ANSWERS "NO" TO QUESTION 10 IN SECTION I.**

1. Provide detailed reasoning for disagreement with the opinion of value in the appraisal report under review.

2. State all extraordinary assumptions used (i.e. gross living area, room count, condition, etc.).

3. Provide a new opinion of value as of the effective date of the appraisal report under review using the below sales comparison analysis grid. (NOTE: This may or may not include the use of the same comparable sales in the appraisal report under review.)

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Address										
Proximity to Subject										
Sale Price	\$				\$				\$	
Sale Price/Gross Liv. Area	\$	sq.ft.	\$	sq.ft.	\$	sq.ft.	\$	sq.ft.	\$	
Data Source(s)										
Verification Source(s)										
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	
Sale or Financing Concessions										
Date of Sale/Time										
Location										
Leasehold/Fee Simple										
Site										
View										
Design (Style)										
Quality of Construction										
Actual Age										
Condition										
Above Grade Room Count	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths	
Gross Living Area	sq. ft.	sq. ft.	sq. ft.	sq. ft.	sq. ft.	sq. ft.	sq. ft.	sq. ft.	sq. ft.	
Basement & Finished Rooms Below Grade										
Functional Utility										
Heating/Cooling										
Energy Efficient Items										
Garage/Carport										
Porch/Patio/Deck										
Net Adjustment (Total)		<input type="checkbox"/> +	<input type="checkbox"/> -	\$	<input type="checkbox"/> +	<input type="checkbox"/> -	\$	<input type="checkbox"/> +	<input type="checkbox"/> -	\$
Adjusted Sale Price of Comparables		Net Adj.	%	\$	Net Adj.	%	\$	Net Adj.	%	\$
		Gross Adj.	%	\$	Gross Adj.	%	\$	Gross Adj.	%	\$

I  did  did not research the sale or transfer history of the above comparable sales. If not, explain

My research  did  did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s)

Report the results of the research and analysis of the prior sale or transfer history of the above comparable sales (report additional prior sales on an addendum).

ITEM	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer			
Price of Prior Sale/Transfer			
Data Source(s)			
Effective Date of Data Source(s)			

Analysis of prior sale or transfer history for the comparable sales.

Summary of Value Conclusion (including detailed support for the opinion of value and reasons why the new comparable sales are better than the sales used in the appraisal report under review).

**REVIEW APPRAISER'S OPINION OF MARKET VALUE (Required only if review appraiser answered "No" to Question 10 in Section 1)**

Based on a  visual inspection of the exterior areas of the subject property from at least the street or  complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my opinion of the market value, as defined, of the real property that is the subject of this report is \$ \_\_\_\_\_, as of \_\_\_\_\_, which is the effective date of the appraisal report under review.

# One-Unit Residential Appraisal Field Review Report

File #

## SCOPE OF WORK

The scope of work for this appraisal field review is defined by the complexity of the appraisal report under review and the reporting requirements of this report form, including the following statement of assumptions and limiting conditions, and certifications. The review appraiser must, at a minimum: (1) read the entire appraisal report under review, (2) perform a visual inspection of the exterior areas of the subject property from at least the street, (3) inspect the neighborhood, (4) inspect each of the comparable sales from at least the street, (5) perform data research and analysis to determine the appropriateness and accuracy of the data in the appraisal report, (6) research, verify, and analyze data from reliable public and/or private sources, (7) determine the accuracy of the opinion of value, and (8) assume the property condition reported in the appraisal report is accurate unless there is evidence to the contrary.

If the review appraiser determines that the opinion of value in the report under review is not accurate, he or she is required to provide an opinion of market value. The review appraiser is not required to replicate the steps completed by the original appraiser that the review appraiser believes to be reliable and in compliance with the applicable real property appraisal development standards of the Uniform Standards of Professional Appraisal Practice. Those items in the appraisal report under review are extended to this report by the use of an extraordinary assumption, which is identified in Section II, Question 2. If the review appraiser determines that the opinion of value is not accurate, he or she must present additional data that has been researched, verified, and analyzed to produce an accurate opinion of value in accordance with the applicable sections of Standard 1 of the Uniform Standards of Professional Appraisal Practice.

## INTENDED USE

The intended use of this appraisal field review report is for the lender/client to evaluate the accuracy and adequacy of support of the appraisal report under review.

## INTENDED USER

The intended user of this appraisal field review report is the lender/client.

## GUIDANCE FOR COMPLETING THE ONE-UNIT RESIDENTIAL APPRAISAL FIELD REVIEW REPORT

The appraisal review function is important to maintaining the integrity of both the appraisal and loan underwriting processes. The following guidance is intended to aid the review appraiser with the development and reporting of an appraisal field review:

1. The review appraiser must be the individual who personally read the entire appraisal report, performed a visual inspection of the exterior areas of the subject property from at least the street, inspected the neighborhood, inspected each of the comparable sales from at least the street, performed the data research and analysis, and prepared and signed this report.
2. The review appraiser must focus his or her comments on the appraisal report under review and not include personal opinions about the appraiser(s) who prepared the appraisal.
3. The lender/client has withheld the identity of the appraiser(s) who prepared the appraisal report under review, unless otherwise indicated in this report.
4. The review appraiser must assume that the condition of the property reported in the appraisal report is accurate, unless there is evidence to the contrary.
5. This One-Unit Residential Appraisal Field Review Report is divided into two sections. Section I must be completed for all assignments. Section II must be completed only if the answer to Question 10 in Section I is "No."
6. The review appraiser must determine whether the opinion of market value is accurate and adequately supported by market evidence. When the review appraiser disagrees with the opinion of value, he or she must complete Section II. Because appraiser's opinions can vary, the review appraiser must have conclusive evidence that the opinion of value is not accurate.
7. The review appraiser must explain why the comparable sales in the appraisal report under review should not have been used. Simply stating: "see grid" is unacceptable. The review appraiser must explain and support his or her conclusions.
8. The review appraiser must form an opinion about the overall accuracy and quality of the data in the appraisal report under review. The objective is to determine whether material errors exist and what effect they have on the opinions and conclusions in the appraisal report under review. When the review appraiser agrees that the data is essentially correct (although minor errors may exist), he or she must summarize the overall findings. When the review appraiser determines that material errors exist in the data, he or she must identify them, comment on their overall effect on the opinions and conclusions in the appraisal report under review, and include the correct information.
9. The Questions in Section I are intended to identify both the positive and negative elements of the appraisal under review and to report deficiencies. The review appraiser must make it clear to the reader what effect the deficiencies have on the opinions and conclusions in the appraisal report. Simple "Yes" and "No" answers are unacceptable.
10. The review appraiser must provide specific, supportable reasons for disagreeing with the opinion of value in the appraisal report under review in response to Question 1 in Section II.
11. The review appraiser must identify any extraordinary assumptions that were necessary in order to arrive at his or her opinion of market value. Extraordinary assumptions include the use of information from the appraisal report under review that the review appraiser concludes is reliable (such as an assumption that the reported condition of the subject property is accurate).
12. The review appraiser must include the rationale for using new comparable sales. The following question must be answered: Why are these new comparable sales better than the sales in the appraisal report under review?
13. The new comparable sales provided by the review appraiser and reported in the sales comparison analysis grid must have closed on or before the effective date of the appraisal report under review. It may be appropriate to include data that was not available to the original appraiser as of the effective date of the original appraisal; however, that information should be reported as "supplemental" to the data that would have been available to the original appraiser.
14. The review appraiser must provide a sale or transfer history of the new comparable sales for a minimum of one year prior to the date of sale of the comparable sale. The review appraiser must analyze the sale or transfer data and report the effect, if any, on the review appraiser's conclusions.
15. A review of an appraisal on a unit in a condominium, cooperative, or PUD project requires the review appraiser to analyze the project information in the appraisal report under review and comment on its completeness and accuracy.
16. An appraisal review of a manufactured home requires the review appraiser to assume that the HUD data plate information is correct, unless information to the contrary is available. In such cases, the review appraiser must identify the source of the data.
17. The review appraiser's opinion of market value must be "as of" the effective date of the appraisal report under review.

# One-Unit Residential Appraisal Field Review Report

File # \_\_\_\_\_

## STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

1. The review appraiser will not be responsible for matters of a legal nature that affect either the property that is the subject of the appraisal under review or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal review. The review appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The review appraiser will not give testimony or appear in court because he or she performed a review of the appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
3. Unless otherwise stated in this appraisal field review report, the review appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, expressed or implied. The review appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the review appraiser is not an expert in the field of environmental hazards, this appraisal field review report must not be considered as an environmental assessment of the property.

## REVIEW APPRAISER'S CERTIFICATION

The Review Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal field review in accordance with the scope of work requirements stated in this appraisal field review report.
2. I performed this appraisal field review in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal field review report was prepared.
3. I have the knowledge and experience to perform appraisals and review appraisals for this type of property in this market area.
4. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
5. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal field review report from reliable sources that I believe to be true and correct.
6. I have not knowingly withheld any significant information from this appraisal field review report and, to the best of my knowledge, all statements and information in this appraisal field review report are true and correct.
7. I stated in this appraisal field review report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal field review report.
8. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value (if any) in this appraisal field review report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
9. My employment and/or compensation for performing this appraisal field review or any future or anticipated appraisals or appraisal field reviews was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
10. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal field review report. I further certify that no one provided significant professional assistance to me in the development of this appraisal field review report. I have not authorized anyone to make a change to any item in this appraisal field review report; therefore, any change made to this appraisal field review report is unauthorized and I will take no responsibility for it.
11. I identified the lender/client in this appraisal field review report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal field review report.
12. The lender/client may disclose or distribute this appraisal field review report to: the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the review appraiser's consent. Such consent must be obtained before this appraisal field review report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
13. The mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal field review report as part of any mortgage finance transaction that involves any one or more of these parties.
14. If this appraisal field review report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal field review report containing a copy or representation of my signature, the appraisal field review report shall be as effective, enforceable and valid as if a paper version of this appraisal field review report were delivered containing my original hand written signature.
15. Any intentional or negligent misrepresentation(s) contained in this appraisal field review report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

### REVIEW APPRAISER

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 \_\_\_\_\_  
 Telephone Number \_\_\_\_\_  
 Email Address \_\_\_\_\_  
 Date of Signature and Report \_\_\_\_\_  
 State Certification # \_\_\_\_\_  
 Or State License # \_\_\_\_\_  
 State \_\_\_\_\_  
 Expiration Date of Certification or License \_\_\_\_\_

### LENDER/CLIENT

Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 \_\_\_\_\_

### LENDER/CLIENT OF THE APPRAISAL UNDER REVIEW

Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 \_\_\_\_\_  
 Reviewer's Opinion of Market Value \$ \_\_\_\_\_ Date \_\_\_\_\_  
 Only if review appraiser answered "No" to Questions 10, in Section I.

# Two- to Four-Unit Residential Appraisal Field Review Report

File #

The purpose of this appraisal field review report is to provide the lender/client with an opinion on the accuracy of the appraisal report under review.

Property Address	City	State	Zip Code
Borrower	Owner of Public Record	County	
Legal Description			
Assessor's Parcel #	Map Reference	Census Tract	
Property Rights Appraised	<input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe below)	# of Units	<input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> Illegal unit (describe below)
Loan #	Effective Date of Appraisal Under Review	Project Type	<input type="checkbox"/> Condo <input type="checkbox"/> PUD <input type="checkbox"/> Cooperative
Lender/Client	Address		

## SECTION I — COMPLETE FOR ALL ASSIGNMENTS

1. Is the information in the subject section complete and accurate? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, provide a brief summary. If No, explain
2. Is the information in the contract section complete and accurate? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable If Yes, provide a brief summary. If No, explain
3. Is the information in the neighborhood section complete and accurate? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, provide a brief summary. If No, explain
4. Is the information in the site section complete and accurate? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, provide a brief summary. If No, explain
5. Is the data in the improvements section complete and accurate? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, provide a brief summary. If No, explain
6. Is the data in the comparable rental data section complete and accurate? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, provide a brief summary. If No, explain
7. Is the subject rent schedule section complete and accurate? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, provide a brief summary. If No, explain
8. Is the opinion of market rent accurate? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, provide a brief summary. If No, explain
9. Is the sale or transfer history reported for the subject property and each of the comparable sales complete and accurate? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, provide a brief summary. If No, analyze and report the correct sale or transfer history and the data source(s).

# Two- to Four-Unit Residential Appraisal Field Review Report

File #

10. Are the comparable sales selected locationally, physically, and functionally the most similar to the subject property?  Yes  No If Yes, provide a brief summary. If No, provide a detailed explanation as to why they are not the best comparable sales.

11. Are the data and analysis (including the individual adjustments) presented in the sales comparison approach complete and accurate?  Yes  No If Yes, provide a brief summary. If No, explain

12. Are the indicators of value from the sales comparison analysis (value per unit, per room, etc.) reconciled to a supportable indication of value?  Yes  No If Yes, provide a brief summary. If No, explain

13. Is the opinion of market value in the appraisal report under review accurate as of the effective date of the appraisal report?  Yes  No If No, complete Section II.

**SECTION II — COMPLETE ONLY IF REVIEW APPRAISER ANSWERS "NO" TO QUESTION 13 IN SECTION I.**

1. Provide detailed reasoning for disagreement with the opinion of value in the appraisal report under review.

2. State all extraordinary assumptions used (i.e. gross building area, room count, condition, etc.).

3. I  did  did not research the sale or transfer history of the comparable sales reported on page 3. If not, explain

My research  did  did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s)

Report the results of the research and analysis of the prior sale or transfer history of the comparable sales reported on page 3 (report additional prior sales below).

ITEM	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer			
Price of Prior Sale/Transfer			
Data Source(s)			
Effective Date of Data Source(s)			

Analysis of prior sale or transfer history for the comparable sales.

# Two- to Four-Unit Residential Appraisal Field Review Report

File # \_\_\_\_\_

4. Provide a new opinion of value as of the effective date of the appraisal report under review using the below sales comparison analysis grid. (NOTE: This may or may not include the use of the same comparable sales in the appraisal report under review.)

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3				
Address												
Proximity to Subject												
Sale Price	\$		\$		\$		\$		\$			
Sale Price/Gross Bldg. Area	\$	sq. ft.	\$	sq. ft.	\$	sq. ft.	\$	sq. ft.	\$	sq. ft.		
Gross Monthly Rent	\$		\$		\$		\$		\$			
Gross Rent Multiplier												
Price Per Unit												
Price Per Room												
Price Per Bedroom												
Rent Control	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No			
Data Source(s)												
Verification Source(s)												
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment			
Sale or Financing Concessions												
Date of Sale/Time												
Location												
Leasehold/Fee Simple												
Site												
View												
Design (Style)												
Quality of Construction												
Actual Age												
Condition												
Gross Building Area	sq. ft.			sq. ft.			sq. ft.			sq. ft.		
Unit Breakdown	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths
Unit # 1												
Unit # 2												
Unit # 3												
Unit # 4												
Basement Description												
Basement Finished Rms.												
Functional Utility												
Heating/Cooling												
Energy Efficient Items												
Parking On/Off Site												
Porch/Patio/Deck												
Net Adjustment (Total)		<input type="checkbox"/> + <input type="checkbox"/> -	\$	<input type="checkbox"/> + <input type="checkbox"/> -	\$	<input type="checkbox"/> + <input type="checkbox"/> -	\$	<input type="checkbox"/> + <input type="checkbox"/> -	\$			
Adjusted Sale Price of Comparables		Net Adj. %	\$	Net Adj. %	\$	Net Adj. %	\$	Net Adj. %	\$			
		Gross Adj. %	\$	Gross Adj. %	\$	Gross Adj. %	\$	Gross Adj. %	\$			
Adj. Price Per Unit (Adj. SP Comp / # of Comp Units)	\$			\$		\$		\$				
Adj. Price Per Room (Adj. SP Comp / # of Comp Rooms)	\$			\$		\$		\$				
Adj. Price Per Bedrm (Adj. SP Comp / # of Comp Bedrms)	\$			\$		\$		\$				
Value Per Unit	\$ _____ X _____	Units = \$ _____		Value Per GBA	\$ _____ X _____	GBA = \$ _____						
Value Per Rm.	\$ _____ X _____	Rooms = \$ _____		Value Per Bdrms.	\$ _____ X _____	Bdrms. = \$ _____						

Comments on sales comparison including reconciliation of the above indicators of value.


Total gross monthly rent \$ \_\_\_\_\_ X gross rent multiplier (GRM) \_\_\_\_\_ = \$ \_\_\_\_\_ Indicated value by the Income Approach

Comments on income approach including reconciliation of the GRM

Summary of Value Conclusion (including detailed support for the opinion of value and reasons why the new comparables are better than the sales used in the appraisal report under review).


**REVIEW APPRAISER'S OPINION OF MARKET VALUE (Required only if review appraiser answered "No" to Question 13 in Section 1).**

Based on a  visual inspection of the exterior areas of the subject property from at least the street or  complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my opinion of the market value, as defined, of the real property that is the subject of this report is \$ \_\_\_\_\_, as of \_\_\_\_\_, which is the effective date of the appraisal report under review.

# Two- to Four-Unit Residential Appraisal Field Review Report

File #

## SCOPE OF WORK

The scope of work for this appraisal field review is defined by the complexity of the appraisal report under review and the reporting requirements of this report form, including the following statement of assumptions and limiting conditions, and certifications. The review appraiser must, at a minimum: (1) read the entire appraisal report under review, (2) perform a visual inspection of the exterior areas of the subject property from at least the street, (3) inspect the neighborhood, (4) inspect each of the comparable sales from at least the street, (5) perform data research and analysis to determine the appropriateness and accuracy of the data in the appraisal report, (6) research, verify, and analyze data from reliable public and/or private sources, (7) determine the accuracy of the opinion of value, and (8) assume the property condition reported in the appraisal report is accurate unless there is evidence to the contrary.

If the review appraiser determines that the opinion of value in the report under review is not accurate, he or she is required to provide an opinion of market value. The review appraiser is not required to replicate the steps completed by the original appraiser that the review appraiser believes to be reliable and in compliance with the applicable real property appraisal development standards of the Uniform Standards of Professional Appraisal Practice. Those items in the appraisal report under review are extended to this report by the use of an extraordinary assumption, which is identified in Section II, Question 2. If the review appraiser determines that the opinion of value is not accurate, he or she must present additional data that has been researched, verified, and analyzed to produce an accurate opinion of value in accordance with the applicable sections of Standard 1 of the Uniform Standards of Professional Appraisal Practice.

## INTENDED USE

The intended use of this appraisal field review report is for the lender/client to evaluate the accuracy and adequacy of support of the appraisal report under review.

## INTENDED USER

The intended user of this appraisal field review report is the lender/client.

## GUIDANCE FOR COMPLETING THE TWO- TO FOUR-UNIT RESIDENTIAL APPRAISAL FIELD REVIEW REPORT

The appraisal review function is important to maintaining the integrity of both the appraisal and loan underwriting processes. The following guidance is intended to aid the review appraiser with the development and reporting of an appraisal field review:

1. The review appraiser must be the individual who personally read the entire appraisal report, performed a visual inspection of the exterior areas of the subject property from at least the street, inspected the neighborhood, inspected each of the comparable sales from at least the street, performed the data research and analysis, and prepared and signed this report.
2. The review appraiser must focus his or her comments on the appraisal report under review and not include personal opinions about the appraiser(s) who prepared the appraisal.
3. The lender/client has withheld the identity of the appraiser(s) who prepared the appraisal report under review, unless otherwise indicated in this report.
4. The review appraiser must assume that the condition of the property reported in the appraisal report is accurate, unless there is evidence to the contrary.
5. This Two- to Four-Unit Residential Appraisal Field Review Report is divided into two sections. Section I must be completed for all assignments. Section II must be completed only if the answer to Question 13 in Section I is "No."
6. The review appraiser must determine whether the opinion of market value is accurate and adequately supported by market evidence. When the review appraiser disagrees with the opinion of value, he or she must complete Section II. Because appraiser's opinions can vary, the review appraiser must have conclusive evidence that the opinion of value is not accurate.
7. The review appraiser must explain why the comparable sales in the appraisal report under review should not have been used. Simply stating: "see grid" is unacceptable. The review appraiser must explain and support his or her conclusions.
8. The review appraiser must form an opinion about the overall accuracy and quality of the data in the appraisal report under review. The objective is to determine whether material errors exist and what effect they have on the opinions and conclusions in the appraisal report under review. When the review appraiser agrees that the data is essentially correct (although minor errors may exist), he or she must summarize the overall findings. When the review appraiser determines that material errors exist in the data, he or she must identify them, comment on their overall effect on the opinions and conclusions in the appraisal report under review, and include the correct information.
9. The Questions in Section I are intended to identify both the positive and negative elements of the appraisal under review and to report deficiencies. The review appraiser must make it clear to the reader what effect the deficiencies have on the opinions and conclusions in the appraisal report. Simple "Yes" and "No" answers are unacceptable.
10. The review appraiser must provide specific, supportable reasons for disagreeing with the opinion of value in the appraisal report under review in response to Question 1 in Section II.
11. The review appraiser must identify any extraordinary assumptions that were necessary in order to arrive at his or her opinion of market value. Extraordinary assumptions include the use of information from the appraisal report under review that the review appraiser concludes is reliable (such as an assumption that the reported condition of the subject property is accurate).
12. The review appraiser must include the rationale for using new comparable sales. The following question must be answered: Why are these new comparable sales better than the sales in the appraisal report under review?
13. The new comparable sales provided by the review appraiser and reported in the sales comparison analysis grid must have closed on or before the effective date of the appraisal report under review. It may be appropriate to include data that was not available to the original appraiser as of the effective date of the original appraisal; however, that information should be reported as "supplemental" to the data that would have been available to the original appraiser.
14. The review appraiser must provide a sale or transfer history of the new comparable sales for a minimum of one year prior to the date of sale of the comparable sale. The review appraiser must analyze the sale or transfer data and report the effect, if any, on the review appraiser's conclusions.
15. A review of an appraisal on a two- to four-unit property in a condominium, cooperative, or PUD project requires the review appraiser to analyze the project information in the appraisal report under review and comment on its completeness and accuracy.
16. An appraisal review of a manufactured home requires the review appraiser to assume that the HUD data plate information is correct, unless information to the contrary is available. In such cases, the review appraiser must identify the source of the data.
17. The review appraiser's opinion of market value must be "as of" the effective date of the appraisal report under review.

# Two- to Four-Unit Residential Appraisal Field Review Report

File # \_\_\_\_\_

## STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

1. The review appraiser will not be responsible for matters of a legal nature that affect either the property that is the subject of the appraisal under review or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal review. The review appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The review appraiser will not give testimony or appear in court because he or she performed a review of the appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
3. Unless otherwise stated in this appraisal field review report, the review appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, expressed or implied. The review appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the review appraiser is not an expert in the field of environmental hazards, this appraisal field review report must not be considered as an environmental assessment of the property.

## REVIEW APPRAISER'S CERTIFICATION

The Review Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal field review in accordance with the scope of work requirements stated in this appraisal field review report.
2. I performed this appraisal field review in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal field review report was prepared.
3. I have the knowledge and experience to perform appraisals and review appraisals for this type of property in this market area.
4. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
5. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal field review report from reliable sources that I believe to be true and correct.
6. I have not knowingly withheld any significant information from this appraisal field review report and, to the best of my knowledge, all statements and information in this appraisal field review report are true and correct.
7. I stated in this appraisal field review report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal field review report.
8. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value (if any) in this appraisal field review report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
9. My employment and/or compensation for performing this appraisal field review or any future or anticipated appraisals or appraisal field reviews was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
10. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal field review report. I further certify that no one provided significant professional assistance to me in the development of this appraisal field review report. I have not authorized anyone to make a change to any item in this appraisal field review report; therefore, any change made to this appraisal field review report is unauthorized and I will take no responsibility for it.
11. I identified the lender/client in this appraisal field review report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal field review report.
12. The lender/client may disclose or distribute this appraisal field review report to: the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the review appraiser's consent. Such consent must be obtained before this appraisal field review report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
13. The mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal field review report as part of any mortgage finance transaction that involves any one or more of these parties.
14. If this appraisal field review report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal field review report containing a copy or representation of my signature, the appraisal field review report shall be as effective, enforceable and valid as if a paper version of this appraisal field review report were delivered containing my original hand written signature.
15. Any intentional or negligent misrepresentation(s) contained in this appraisal field review report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

### REVIEW APPRAISER

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 \_\_\_\_\_  
 Telephone Number \_\_\_\_\_  
 Email Address \_\_\_\_\_  
 Date of Signature and Report \_\_\_\_\_  
 State Certification # \_\_\_\_\_  
 Or State License # \_\_\_\_\_  
 State \_\_\_\_\_  
 Expiration Date of Certification or License \_\_\_\_\_

### LENDER/CLIENT

Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

### LENDER/CLIENT OF THE APPRAISAL UNDER REVIEW

Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 \_\_\_\_\_  
 Reviewer's Opinion of Market Value \$ \_\_\_\_\_ Date \_\_\_\_\_  
 Only if review appraiser answered "No" to Questions 13, in Section I.

# Appraisal Update and/or Completion Report

File # \_\_\_\_\_

The purpose of this report form is to provide the lender/client with an accurate update of an appraisal and/or to report a certification of completion. The appraiser must identify the service(s) provided by selecting the appropriate report type.

Property Address _____		Unit # _____
City _____	State _____	Zip Code _____
Legal Description _____		County _____
Borrower _____	Contract Price \$ _____	Date of Contract _____
Effective Date of Original Appraisal _____		Original Appraised Value \$ _____
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe) _____		
Original Appraiser _____		Company Name _____
Original Lender/Client _____		Address _____

## SUMMARY APPRAISAL UPDATE REPORT

**INTENDED USE:** The intended use of this appraisal update is for the lender/client to evaluate the property that is the subject of this report to determine if the property has declined in value since the date of the original appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal update is the lender/client.

**SCOPE OF WORK:** The appraiser must, at a minimum: (1) concur with the original appraisal, (2) perform an exterior inspection of the subject property from at least the street, and (3) research, verify, and analyze current market data in order to determine if the property has declined in value since the effective date of the original appraisal.

**HAS THE MARKET VALUE OF THE SUBJECT PROPERTY DECLINED SINCE THE EFFECTIVE DATE OF THE ORIGINAL APPRAISAL?**  Yes  No

**APPRAISER'S CERTIFICATION:** The appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal update in accordance with the scope of work requirements stated in this appraisal update report and concur with the analysis and conclusions in the original appraisal.
2. I performed this appraisal update in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal update was prepared.
3. I have updated the appraisal by incorporating the original appraisal report.
4. I have summarized my analysis and conclusions in this appraisal update and retained all supporting data in my work file.

**SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal update assignment, have read the appraisal update report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal update report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

## CERTIFICATION OF COMPLETION

**INTENDED USE:** The intended use of this certification of completion is for the lender/client to confirm that the requirements or conditions stated in the appraisal report referenced above have been met.

**INTENDED USER:** The intended user of this certification of completion is the lender/client.

**HAVE THE IMPROVEMENTS BEEN COMPLETED IN ACCORDANCE WITH THE REQUIREMENTS AND CONDITIONS STATED IN THE ORIGINAL APPRAISAL REPORT?**  Yes  No If No, describe any impact on the opinion of market value.

**APPRAISER'S CERTIFICATION:** I certify that I have performed a visual inspection of the subject property to determine if the conditions or requirements stated in the original appraisal have been satisfied.

**SUPERVISORY APPRAISER'S CERTIFICATION:** I accept full responsibility for this certification of completion.

## SIGNATURES

**ADDITIONAL CERTIFICATION:** I/we certify that if this report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this report containing a copy or representation of my signature, the report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

### APPRAISER

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 Telephone Number \_\_\_\_\_  
 Date of Signature and Report \_\_\_\_\_  
 Effective Date of Appraisal Update \_\_\_\_\_  
 Date of Inspection \_\_\_\_\_  
 State Certification # \_\_\_\_\_  
 or State License # \_\_\_\_\_  
 or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
 State \_\_\_\_\_  
 Expiration Date of Certification or License \_\_\_\_\_

### SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 Telephone Number \_\_\_\_\_  
 Date of Signature \_\_\_\_\_  
 State Certification # \_\_\_\_\_  
 or State License # \_\_\_\_\_  
 State \_\_\_\_\_  
 Expiration Date of Certification or License \_\_\_\_\_

### CURRENT LENDER/CLIENT

Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_

### SUPERVISORY APPRAISER

- Did not inspect subject property  
 Did inspect exterior of subject property from street  
 Date of Inspection \_\_\_\_\_  
 Did inspect interior and exterior of subject property  
 Date of Inspection \_\_\_\_\_

# Individual Cooperative Interest Appraisal Report

File #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

SUBJECT

Property Address	Unit #	City	State	Zip Code
Borrower	Current Owner		County	
Legal Description				
Project Name	Phase #	Map Reference	Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant (Market Rent) <input type="checkbox"/> Tenant (Regulated Rent) <input type="checkbox"/> Vacant Monthly Maintenance Fee \$ <input type="checkbox"/> per year <input type="checkbox"/> per month				
Property Rights Appraised <input type="checkbox"/> Cooperative <input type="checkbox"/> Other Expiration Date of Proprietary Lease Special Assessment \$				
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)				
Lender/Client		Address		
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Report data source(s) used, offering price(s), and date(s).				

CONTRACT

I  did  did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price \$	Date of Contract	Is the property seller the current owner? <input type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s)
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No			
If Yes, report the total dollar amount and describe the items to be paid.			

NEIGHBORHOOD

**Note: Race and the racial composition of the neighborhood are not appraisal factors.**

Neighborhood Characteristics	Cooperative Housing Trends	Cooperative Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	One-Unit %
Built-Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	2-4 Unit %
Growth <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	AGE (yrs)	Multi-Family %
Neighborhood Boundaries		Low	Commercial %
		High	Other %
		Pred.	

Neighborhood Description

Market Conditions (including support for the above conclusions)

Is there a demonstrated market acceptance of the cooperative form of ownership in the subject neighborhood?  Yes  No If No, describe

PROJECT SITE

Topography	Size	Density	View
Specific Zoning Classification		Zoning Description	
Zoning Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming — Do the zoning regulations permit rebuilding to current density? <input type="checkbox"/> Yes <input type="checkbox"/> No			
<input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)			
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe			

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private	
Electricity	<input type="checkbox"/>	<input type="checkbox"/>	Water	<input type="checkbox"/>	<input type="checkbox"/>	Street	<input type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input type="checkbox"/>	<input type="checkbox"/>	Alley	<input type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area  Yes  No FEMA Flood Zone FEMA Map # FEMA Map Date

Are the utilities and off-site improvements typical for the market area?  Yes  No If No, describe

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?  Yes  No If Yes, describe

PROJECT DESCRIPTION

General Description	General Description	General Description	Car Storage
# of Units	<input type="checkbox"/> Existing	Condition	Type of Parking
# of Buildings	<input type="checkbox"/> Proposed	Exterior Walls	Guest Parking <input type="checkbox"/> Yes <input type="checkbox"/> No
# of Stories	<input type="checkbox"/> Under Construction	Roof Surface	Total # Parking Spaces
# of Elevators	Year Built	Window Type	Ratio (spaces/units)

Project Description  Detached  Row or Townhouse  Garden  Mid-Rise  High-Rise  Other (describe)

Project Primary Occupancy  Principle Residence  Second Home or Recreational  Tenant

Cooperative Project Management  Sponsor/Developer  Cooperative Board  Management Agent – Provide name of management company.

Is the cooperative project part of a master association?  Yes  No If Yes, describe

Was the project created by the conversion of an existing building(s) into a cooperative?  Yes  No If Yes, describe the original use and the date of conversion.

Is there any commercial space in the project?  Yes  No If Yes, describe and indicate the overall percentage of the commercial space.

Describe the project amenities (including security features, recreational facilities, etc.).

Are the units and project amenities typical and complete?  Yes  No If No, describe

Describe the condition of the project and quality of construction.

Are there fees, other than regular monthly maintenance fees or monthly assessments, such as special assessments, etc. for use of facilities?  Yes  No If Yes, describe and comment on compatibility to other projects in the market area.

# Individual Cooperative Interest Appraisal Report

File # \_\_\_\_\_

Is there any information known to the appraiser about the project that could make its marketability different than other properties in its market area?  Yes  No If No, describe \_\_\_\_\_

Does the project generally conform to the neighborhood (style, condition, quality of construction, remodeling, appeal to market, etc.)?  Yes  No If No, describe \_\_\_\_\_

Utilities included in unit charge  None  Heat  Air Conditioning  Electricity  Gas  Water  Sewer  Cable  Other (describe) \_\_\_\_\_

Is it typical to have these utilities included in the unit charge for projects in the market area?  Yes  No If No, describe \_\_\_\_\_

General Description	Interior materials/condition	Amenities	Appliances	Car Storage
Floor #	Floors	<input type="checkbox"/> Fireplace(s) #	<input type="checkbox"/> Refrigerator	<input type="checkbox"/> None
# of Levels	Walls	<input type="checkbox"/> Woodstove(s) #	<input type="checkbox"/> Range/Oven	<input type="checkbox"/> Garage # of Cars
Heating Type Fuel	Trim/Finish	<input type="checkbox"/> Deck/Patio	<input type="checkbox"/> Disp <input type="checkbox"/> Microwave	<input type="checkbox"/> Open # of Cars
<input type="checkbox"/> Central AC <input type="checkbox"/> Individual AC	Bath Wainscot	<input type="checkbox"/> Porch/Balcony	<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Assigned <input type="checkbox"/> Owned
<input type="checkbox"/> Other	Doors	<input type="checkbox"/> Other	<input type="checkbox"/> Washer/Dryer	Parking Space #(s)

Finished area **above** grade contains: Rooms Bedrooms Baths Square Feet of Gross Living Area Above Grade \_\_\_\_\_

Additional features (special energy efficient items, etc.) \_\_\_\_\_

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). \_\_\_\_\_

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property?  Yes  No If Yes, describe \_\_\_\_\_

The following cooperative project information, including financing and occupancy data, is required to be current within 30 days of the Effective Date of Appraisal/Inspection. The appraiser's data source(s) for the cooperative project information is  Management Agent,  Cooperative Board,  Sponsor/Developer,  Other (describe) \_\_\_\_\_ Identify the data source(s) by name, title, company address, and telephone number and report the effective date of data source(s). \_\_\_\_\_

Number of shares issued and outstanding for the Cooperative Corporation \_\_\_\_\_ Number of shares attributable to the subject unit \_\_\_\_\_

*Pro rata* share of the project blanket financing attributable to the subject unit \_\_\_\_\_ *Pro rata* share of each lien attributable to the subject unit \_\_\_\_\_

Monthly maintenance fee (or Monthly Assessment Unit Charge) \$ \_\_\_\_\_ X 12 Months = \$ \_\_\_\_\_ per year

Annual maintenance fee (or assessment charge) divided by the square feet of gross living area for the subject unit = \$ \_\_\_\_\_

Is the Sponsor/Developer in Control of the Cooperative Corporation?  Yes  No

Is the Sponsor/Developer offering any types of sales or financing concessions (such as a maintenance fee rebate or credit, etc.) with the transfer of units in the project?  Yes  No If Yes, describe \_\_\_\_\_

Is the project subject to ground rent?  Yes  No If Yes, \$ \_\_\_\_\_ per year (describe terms and conditions) \_\_\_\_\_

Are any of the project facilities leased to or by the Cooperative Corporation?  Yes  No If Yes, describe which facilities and note any fees for their use. \_\_\_\_\_

Is the subject property the recipient of any tax abatements or exemptions?  Yes  No If Yes, note the remaining term, provisions for escalation of real estate taxes and the dollar amount. \_\_\_\_\_

Are any of the units in the project subject to a stock transfer fee (such as waiver of options fees, flip taxes, etc.)?  Yes  No If Yes, describe \_\_\_\_\_

How many owners of units in the project are two or more months delinquent in the payment of their financial obligations to the Cooperative Corporation? \_\_\_\_\_

Does any single entity (the same individual, investor group, partnership, or corporation, as well as the developer or sponsor) own more than 10% of the stock or shares in the Cooperative Corporation and the related occupancy rights?  Yes  No If Yes, describe \_\_\_\_\_

I  did  did not analyze the cooperative project budget for the current year. Explain the results of the analysis of the budget (adequacy of fees, reserves, etc.), or why the analysis was not performed. \_\_\_\_\_

**Project Blanket Financing**

Lien Priority	First	Second	Other ( )
Lien Type (Mortgage, Line of Credit, etc.)			
Mortgage Balance	\$ _____	\$ _____	\$ _____
Balloon Mortgage	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Remaining Term			
Monthly Payment	\$ _____	\$ _____	\$ _____
Interest Rate	% _____	% _____	% _____
Fixed/Variable Rate	<input type="checkbox"/> Fixed Rate <input type="checkbox"/> Variable Rate	<input type="checkbox"/> Fixed Rate <input type="checkbox"/> Variable Rate	<input type="checkbox"/> Fixed Rate <input type="checkbox"/> Variable Rate
Lien holder			

**Project Occupancy**

Unit Ownership and Occupancy	# of Units	% of the Project
Owner Occupied		
Sponsor/Developer — Vacant		
Sponsor/Developer — Tenant Occupied (Market Rent)		
Sponsor/Developer — Tenant Occupied (Regulated Rent)		
Investor Vacant		
Investor — Tenant Occupied (Market Rent)		
Investor — Tenant Occupied (Regulated Rent)		
<b>Total</b>		

UNIT DESCRIPTION

COOPERATIVE PROJECT INFORMATION

# Individual Cooperative Interest Appraisal Report

File # \_\_\_\_\_

There are \_\_\_\_\_ comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ \_\_\_\_\_ to \$ \_\_\_\_\_.

There are \_\_\_\_\_ comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ \_\_\_\_\_ to \$ \_\_\_\_\_.

The comparable sales in the sales comparison grid below do not include the pro-rata share of the blanket mortgage(s) on the real estate.

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Address and Unit #										
Project Name										
Proximity to Subject										
Sale Price	\$ _____			\$ _____			\$ _____			\$ _____
Sale Price/Gross Liv. Area	\$ _____ sq. ft.	\$ _____ sq. ft.		\$ _____ sq. ft.			\$ _____ sq. ft.			\$ _____ sq. ft.
Price per Share	\$ _____	\$ _____		\$ _____			\$ _____			\$ _____
Data Source(s)										
Verification Source(s)										
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment			
Sale or Financing Concessions										
Date of Sale/Time										
Location										
Project Size/# of Units										
View										
Floor Location										
Monthly Maintenance Fee	\$ _____	\$ _____		\$ _____		\$ _____				
Project Amenities (Rec. Facilities, etc.)										
Project Security Features										
Design (Style)										
Quality of Construction										
Actual Age										
Condition										
Remodeling (Kitchen, Baths, etc.)										
Above Grade Room Count	Total	Bdms.	Baths	Total	Bdms.	Baths	Total	Bdms.	Baths	
Gross Living Area	sq. ft.			sq. ft.			sq. ft.			
Basement & Finished Rooms Below Grade										
Functional Utility										
Heating/Cooling										
Energy Efficient Items										
Garage/Carport										
Porch/Patio/Deck										
Net Adjustment (Total)		<input type="checkbox"/> + <input type="checkbox"/> -	\$ _____	<input type="checkbox"/> + <input type="checkbox"/> -	\$ _____	<input type="checkbox"/> + <input type="checkbox"/> -	\$ _____			
Adjusted Sale Price Of Comparables		Net Adj. %	\$ _____	Net Adj. %	\$ _____	Net Adj. %	\$ _____			
		Gross Adj. %	\$ _____	Gross Adj. %	\$ _____	Gross Adj. %	\$ _____			

SALES COMPARISON APPROACH

I  did  did not research the sale or transfer history of the subject property and comparable sales. If not, explain \_\_\_\_\_

My research  did  did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) \_\_\_\_\_

My research  did  did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) \_\_\_\_\_

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on addendum)

ITEM	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE # 3		
Date of Prior Sale/Transfer										
Price of Prior Sale/Transfer										
Data Source(s)										
Effective Date of Data Source(s)										

Analysis of prior sale or transfer history of the subject property and comparable sales \_\_\_\_\_

Summary of Sales Comparison Approach (and reconciliation if other approaches are developed) \_\_\_\_\_

This appraisal is made  "as is",  subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed,  subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or  subject to the following required inspections based on the extraordinary assumption that the condition or deficiency does not require immediate alteration or repair.

**Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the cooperative interest (the cooperative shares or other evidence of an ownership interest in the cooperative corporation and the accompanying occupancy rights) that is the subject of this report is \$ \_\_\_\_\_, as of \_\_\_\_\_, which is the date of inspection and the effective date of this appraisal.**

This report form is designed to report an appraisal of the cooperative interest (the cooperative shares or other evidence of an ownership interest in the cooperative corporation and the accompanying occupancy rights) in a cooperative project or the cooperative interest in a planned unit development (PUD). This form is not designed to report an appraisal of a manufactured home or a unit in a condominium project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject unit, (2) inspect and analyze the cooperative project, (3) inspect the neighborhood, (4) inspect each of the comparable sales from at least the street, (5) research, verify, and analyze data from reliable public and/or private sources, and (6) report his or her analysis, opinions, and conclusions in this appraisal report.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the project site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the cooperative interest (the cooperative shares or other evidence of an ownership interest in the cooperative corporation and the accompanying occupancy rights) that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data (including physical and cooperative interest characteristics) to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I have no knowledge or reason to believe that any material changes have occurred in the cooperative project information reported, including financing and occupancy data, that would affect market value or marketability of the subject property.
6. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
7. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
8. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the cooperative interest (the cooperative shares or other evidence of an ownership interest in the cooperative corporation and the accompanying occupancy rights) that were set forth in this appraisal report. If I relied on significant appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

# Individual Cooperative Interest Appraisal Report

File #

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

**SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

**APPRAISER**

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Email Address \_\_\_\_\_  
Date of Signature and Report \_\_\_\_\_  
Effective Date of Appraisal \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
or Other \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_

**ADDRESS OF PROPERTY APPRAISED**

\_\_\_\_\_  
\_\_\_\_\_  
APPRAISED VALUE OF SUBJECT PROPERTY \$ \_\_\_\_\_

**LENDER/CLIENT**

Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
Email Address \_\_\_\_\_

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Email Address \_\_\_\_\_  
Date of Signature \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_

**SUBJECT PROPERTY**

- Did not inspect subject property  
 Did inspect exterior of subject property from street  
Date of Inspection \_\_\_\_\_  
 Did inspect interior and exterior of subject property  
Date of Inspection \_\_\_\_\_

**COMPARABLE SALES**

- Did not inspect exterior of comparable sales from street  
 Did inspect exterior of comparable sales from street  
Date of Inspection \_\_\_\_\_