



1

The slide contains a legal disclaimer in a pink font. The text explains that the training materials are based on industry guidelines and are not legal advice. It also states that MGIC disclaims all warranties. The MGIC logo is in the top right, and a decorative geometric pattern is on the right side. A small number '2' is in the bottom right corner of the slide frame.

**Legal Disclaimer**

The information presented in these training materials is based on guidelines and practices accepted within the mortgage finance industry generally and is not intended to be all-inclusive. All examples are hypothetical and are for illustrative purposes only. Investor requirements change from time to time and their application is subject to interpretation. Therefore, we cannot and do not guarantee how any specific investor guidelines will be applied to individual circumstances. Our training is not intended and should not be interpreted or relied upon as legal advice. We encourage you to seek legal and compliance advice from a qualified professional.

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2



**Agenda**

1. Discuss the purpose of the appraisal
2. Define the responsibilities of the appraiser and reviewer
3. Consider valuation assistance
4. Explain the Appraisal Review Checklist
5. Evaluate the key forms and sections
6. Q and A

3

3



**Purpose of an Appraisal**

- To provide a true portrayal of the subject property, neighborhood and current market conditions
- To provide an accurate and supportable opinion of market value using sound methods and recognized appraisal techniques

4

4

## Appraiser's responsibilities

- Their only focus is the property
- Provide an opinion of market value based on their expertise, market data, logical analysis and judgment
- Follow USPAP guidelines
  - Uniform Standards of Professional Appraisal Practice
    - Recognized ethical and performance standards
    - Adopted by Congress in 1989
    - Unbiased opinions of value






5

5

## Reviewer's responsibilities

Determine property's acceptability as security

- Value
- Condition
- Marketability
- Eligibility

Obtain complete appraisal


Obtain sufficient documentation





6

6



**Valuation assistance**

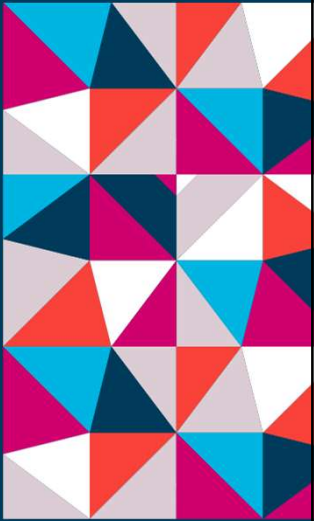
**Collateral Representation & Warranty Relief**

**Fannie Mae**

- Collateral Underwriter (“CU”)
  - [CU Risk Score](#)


**Freddie Mac**

- Loan Collateral Advisor
  - [Loan Collateral Advisor Risk Score](#)
- Automated Collateral Evaluation (ACE)



7

7



**Collateral Underwriter ® and Loan Collateral Advisor ®**



- Web based tool that analyzes appraisal reports submitted to the UCDP
- Provides lenders with critical information to help drive appropriate levels of appraisal review
- Results include a real-time risk score
- Reduce repurchase risk by getting an immediate assessment of the loan’s eligibility for collateral rep and warranty relief

<b>Score</b>	<b>1 – 1.5</b>	<b>2 – 2.5</b>	<b>3 – 3.5</b>	<b>4 – 4.5</b>	<b>5</b>
<b>Risk</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>High</b>	<b>Very High</b>

8

8

## Example of Collateral Underwriter Messages

### Collateral Underwriter® Version 5.4 Release Notes

April 20, 2022

On June 24, 2022, Fannie Mae will implement Collateral Underwriter® (CU) Version 5.4. During the updates, CU will be unavailable from 9 p.m. ET on Friday, June 24 until 1 a.m. ET on Saturday, June 25. The following changes will be included in the release.

#### CU Message Enhancements

**Undervaluation messages** - A new undervaluation risk flag along with 16 new undervaluation risk reason codes will be introduced to complement the existing overvaluation messages, when an undervaluation message is also disseminated through the Collateral Data Portal Submission.


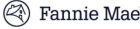

#### Misvaluation Flags and Reason Codes

Overvaluation Risk Message ID	Overvaluation Risk Message Text	New Undervaluation Risk Message ID	New Undervaluation Risk Message Text
1016	CU has identified market reaction to Location that may differ from the adjustment rate used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to this attribute. See the CU Adjustments tab for details.	1036	CU has identified market reaction to Location that may differ from the adjustment rate used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to this attribute. See the CU Adjustments tab for details.
1011	CU indicates overvaluation result of the appraiser's weighting of the adjusted sale prices of the comparables. Ensure that the appraiser appropriately weighted the adjusted sale prices of the comparables.	1031	undervaluation risk may be the result of the appraiser's weighting of the adjusted sale prices of the comparables. Ensure that the appraiser appropriately weighted the adjusted sale prices of the comparables.
1025	CU has identified comparable sales that may be more similar in features & geographical location than those relied on by the appraiser. Ensure that the appraiser has relied on comparables with similar property features & geographical location. See the CU Comparables tab for details.	1045	CU has identified comparable sales that may be more similar in features & geographical location than those relied on by the appraiser. Ensure that the appraiser has relied on comparables with similar property features & geographical location. See the CU Comparables tab for details.
1024	CU has identified comparable sales that may be more similar in	1044	CU has identified comparable sales that may be more similar in geographical location than
1013	CU has identified market reaction to Location that may differ from the adjustment rates used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to these attributes. See the CU Adjustments tab for details.	1033	CU has identified market reaction to Location that may differ from the adjustment rates used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to these attributes. See the CU Adjustments tab for details.
1014	CU has identified market reaction to Basement & Finished Rooms Below Grade that may differ from the adjustment rates used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to these attributes. See the CU Adjustments tab for details.	1034	CU has identified market reaction to Basement & Finished Rooms Below Grade that may differ from the adjustment rates used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to these attributes. See the CU Adjustments tab for details.

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9

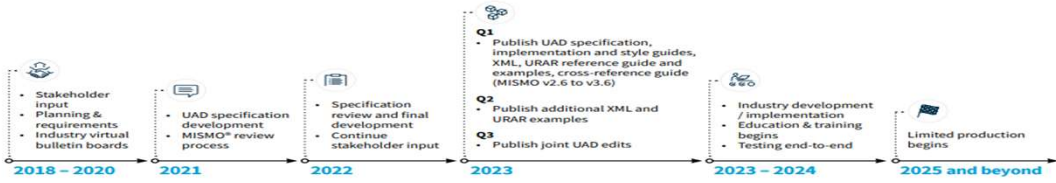
## Appraisal Update Project

### Fannie Mae and Freddie Mac will update appraisal dataset and forms

Fannie Mae and Freddie Mac (the GSEs) have launched an initiative to update the Uniform Appraisal Dataset (UAD) and uniform appraisal reporting forms. The UAD and Forms Redesign initiative will leverage extensive stakeholder input to update the appraisal dataset, align it with the industry-standard MISMO® Reference Model Version 3.X, and overhaul the uniform appraisal forms to establish a more flexible, dynamic structure for appraisal reporting. This work is designed to provide greater clarity to lenders, borrowers, and investors; simplify appraisal reporting and reviewing; and build a foundation for appraisal modernization.


### Uniform Appraisal Dataset (UAD) and Forms Redesign Timeline\*




- 2018 - 2020:** Stakeholder input, Planning & requirements, Industry virtual bulletin boards
- 2021:** UAD specification development, MISMO® review process
- 2022:** Specification review and final development, Continue stakeholder input
- 2023:** Q1: Publish UAD specification, implementation and style guides, XML, URAR reference guide and examples, cross-reference guide (MISMO v2.6 to v3.6); Q2: Publish additional XML and URAR examples; Q3: Publish joint UAD edits
- 2023 - 2024:** Industry development / implementation, Education & training begins, Testing end-to-end
- 2025 and beyond:** Limited production begins


FNMA the Journey to a More Efficient and Fair Home Valuation Process  
\* Dates are subject to change as this multi-year industry project progresses.


10



**UMDP**  
UNIFORM MORTGAGE DATA PROGRAM








**Data Standardization**

**In place of free-form text, discrete data in the new URAR provides the proper foundation to allow for the needed flexibility required to support future modernization projects.**


**Key Benefits**

- ✓ Machine readable data allows for better identification of key indicators, increasing productivity.
- ✓ Data in the new URAR is more objective, reducing the chance of repurchasing due to incorrect ratings applied by the appraiser.

**Legacy Form**




**New URAR**



25 All comments and data in this report refer to a version of the URAR developed and tested in 2020.

This communication relates to the Uniform Mortgage Data Program, an effort undertaken jointly by Fannie Mae and Freddie Mac at the direction of the Federal Housing Finance Agency.

11




## Appraisal Update Project


The modern valuation spectrum

Fannie Mae is on a journey of continuous improvement to make the home valuation process more efficient and accurate. We're transitioning to a spectrum of options to establish a property's market value, with the option matching the risk of the collateral and the loan transaction. The spectrum balances traditional appraisals with appraisal alternatives.

**Value acceptance**  
Data, model, and technology driven




**Value acceptance**  
(appraisal waiver)




**Value acceptance + property data**

Automatic value certainty with rep and warrant relief


**Value determination**  
Appraisal driven



**Hybrid**



**Desktop**




**Traditional**

Value certainty with rep and warrant relief from a CU® score of 2.5 or lower

FNMA the Journey to a More Efficient and Fair Home Valuation Process

12




## Appraisal forms

Property type	Fannie Mae Form #	Freddie Mac Form #	Type of inspection
1-Unit (includes PUD)	1004	70	Interior and exterior
	1004-Desktop	70-Desktop	Desktop
Manufactured Home	1004C	70B	Interior and exterior
Condominium	1073	465	Interior and exterior
Cooperative	2090	NA	Interior and exterior
2- to 4-Unit	1025	72	Interior and exterior

13

13



## Appraisal Report Checklist

Borrower Name: \_\_\_\_\_  
 Subject Property Address: \_\_\_\_\_

<b>Subject</b> ▶	Subject Section ▶	1) Do the property address and seller/borrowers' names match the loan file? <input type="checkbox"/> Yes <input type="checkbox"/> No 2) Is the buyer or seller an LLC or Corporation? <input type="checkbox"/> Yes <input type="checkbox"/> No 3) Are there any Special Assessments? <input type="checkbox"/> Yes <input type="checkbox"/> No 4) How are the property rights appraised? <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other 5) Has the subject property been offered for sale in the past 12 months? <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Contract</b> ▶	Contract Section ▶	6) Did appraiser analyze the contract (if applicable)? <input type="checkbox"/> Yes <input type="checkbox"/> No 7) Is the contract an arms length sale? <input type="checkbox"/> Yes <input type="checkbox"/> No 8) Does the owner of public record match the seller names on the contract? <input type="checkbox"/> Yes <input type="checkbox"/> No 9) Is there any financial assistance being paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No 10) If manufactured home, did the appraiser review the manufacturer's invoice? <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Neighborhood</b> ▶	Neighborhood Section ▶	11) Is the location rural or less than 25% built up? <input type="checkbox"/> Yes <input type="checkbox"/> No 12) Are property values declining? <input type="checkbox"/> Yes <input type="checkbox"/> No 13) Does demand/supply reflect an oversupply? <input type="checkbox"/> Yes <input type="checkbox"/> No 14) Is the marketing time more than six months? <input type="checkbox"/> Yes <input type="checkbox"/> No 15) Is the sales price within the neighborhood price range? <input type="checkbox"/> Yes <input type="checkbox"/> No 16) Does the subject property conform to the present land use? <input type="checkbox"/> Yes <input type="checkbox"/> No 17) Are there any negative comments in the Neighborhood section? <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>HUD Data Plate</b> ▶	HUD Data Plate (Manufactured Home Appraisal Report) ▶	18) Is the HUD Data Plate/Compliance Certificate attached to the dwelling? <input type="checkbox"/> Yes <input type="checkbox"/> No 19) Is a HUD Certificate label attached to the exterior of each section of the dwelling? <input type="checkbox"/> Yes <input type="checkbox"/> No 20) Do the Wind, Roof Load and Thermal Zone meet minimum HUD requirements for the location of the subject property? <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Site</b> ▶	Site Section ▶	21) Is the zoning rated legal nonconforming or illegal? <input type="checkbox"/> Yes <input type="checkbox"/> No 22) Is the present use the highest and best use? <input type="checkbox"/> Yes <input type="checkbox"/> No 23) Are the Utilities and/or Off-Site Improvements public? <input type="checkbox"/> Yes <input type="checkbox"/> No 24) Is the property in a Special Flood Hazard area? <input type="checkbox"/> Yes <input type="checkbox"/> No 25) Are there any adverse comments, (e.g., environmental conditions, land uses, easements, view, etc.) in the Site section? If Manufactured Home ▶
		26) Are the site size, shape and topography generally conforming and acceptable in market area? <input type="checkbox"/> Yes <input type="checkbox"/> No 27) Is there adequate vehicular access to subject property? <input type="checkbox"/> Yes <input type="checkbox"/> No 28) Is the street properly maintained? <input type="checkbox"/> Yes <input type="checkbox"/> No

14

14

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## Complete appraisal

**Page 1**

- All about the subject property

**Page 2**

- Match up subject property to comparable properties
- Sales history and final value

**Page 3**

- Commentary/explanations from appraiser
- Cost approach

**Pages 4–6**

- Official disclosures/disclaimers
- Appraisal signature/licensure info



15

15

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## Appraisal attachments







16

16



# Form 1004

## Page 1



Subject ▶

Contract ▶

Neighborhood ▶

Site ▶

Improvements ▶

### Uniform Residential Appraisal Report

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: 1 Hill Court City: Anytown State: US Zip Code: 12345

Borrower: Mr. and Mrs. Homeowner Owner of Public Record: Mr. and Mrs. Seller County: Scenic

Legal Description: Lot 7, River Bend PUD

Assessor's Parcel #: 98-765-432-000 Tax Year: 20XX R.E. Taxes: \$ 5,250

Neighborhood Name: River Bend Man Reference: Anytown Census Tract: 137.40

Occupant:  Owner  Tenant  Vacant Special Assessments \$ 0  PUD HOA \$ 200  per year  per month

Property Rights Appraised:  Fee Simple  Leasehold  Other (describe)


Assignment Type:  Purchase Transaction  Refinance Transaction  Other (describe)

Lender/Client: ABC Financial Address: 1512 Financial Street, Anytown, US 12345

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?  Yes  No

Report data source(s) used, offering price(s), and date(s). DOM 76; OLP \$435,000; originally offered for sale on 6/17/XX; it was listed under MLS #123456.

# Subject Section



### Uniform Residential Appraisal Report

File No. 1 Hill Court

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: 1 Hill Court City: Anytown State: US Zip Code: 12345

Borrower: Mr. and Mrs. Homeowner Owner of Public Record: Mr. and Mrs. Seller County: Scenic

Legal Description: Lot 7, River Bend PUD

Assessor's Parcel #: 98-765-432-000 Tax Year: 20XX R.E. Taxes: \$ 5,250

Neighborhood Name: River Bend Man Reference: Anytown Census Tract: 137.40

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Property Rights Appraised:  Fee Simple  Leasehold  Other (describe)

Assignment Type:  Purchase Transaction  Refinance Transaction  Other (describe)

Lender/Client: ABC Financial Address: 1512 Financial Street, Anytown, US 12345

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?  Yes  No

Report data source(s) used, offering price(s), and date(s). DOM 76; OLP \$435,000; originally offered for sale on 6/17/XX; it was listed under MLS #123456.



### Contract Section

<input checked="" 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.
Arms length sale, the contract between the buyer and seller was reviewed. There are no conditions or stipulations that are not typical of the market or would impact the negotiated price.		
Contract Price \$ 430,000	Date of Contract 08/19/20XX	Is the property seller the owner of public record? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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 checked="" type="checkbox"/> No
If Yes, report the total dollar amount and describe the items to be paid.		\$0; No financial assistance provided.

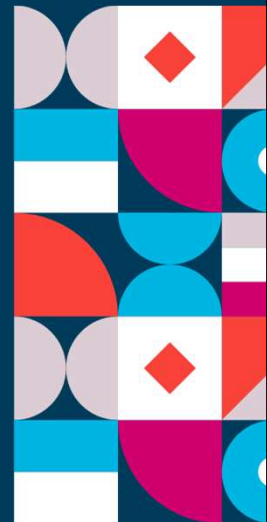
#### Arms length transaction:

- Both parties are acting in their own self-interest
- Not subject pressure or duress from the other party



### Review Activity

- ✓ Subject section
- ✓ Contract section



## Neighborhood

**Note: Race and the racial**

**Neighborhood**

Location  Urban

Built-Up  Over 75%

Growth  Rapid

Neighborhood Boundaries

East; Sheridan Rd.

Neighborhood Description

amenities. The area

adverse factors we

Market Conditions (including

appear to be in balance

### Subject Property Location Map

Borrower Mr. and Mrs. Homeowner	File No: 1 Hill Court
Property Address 1 Hill Court	Case No.:
City Anytown	State US
Lender/Client ABC Financial	Zip 12345

### Present Land Use %

One-Unit	75 %
2-4 Unit	3 %
Multi-Family	0 %
Commercial	2 %
Other Vacant	20 %

ation, design and

orting facilities. No

. Supply and demand

values.

23

23

## Site Section

### Subject Property Location Map

Dimensions See Plat Map	Area 1.25 ac	Shape Irregular	View B; Woods;
Specific Zoning Classification R-3	Zoning Description Single unit/Residential		
Zoning Compliance <input checked="" 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. Given present zoning and demand, highest and best use is limited to single unit and the present use is the most practical use.			
Utilities	Public	Other (describe)	Public
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone	X
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Are there any adverse site conditions or external factors (easements, encroachments, environmental issues, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
The site slopes gently to the rear, which is heavily wooded. Normal utility lines are present. There are no adverse encroachments or conditions.			





24

24

**External Depreciation**

Loss in value due to:

- Economic factors
- Environmental factors






25

25

**Review Activity**

- ✓ Neighborhood section
- ✓ Site section



26

26

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## Improvements Section

General Description	Foundation	Exterior Description	Interior Description
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls <input type="checkbox"/> Conc Bl/Avg	Floors <input type="checkbox"/> Cpt&HW/Avg
# of Stories 2	<input checked="" type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls <input type="checkbox"/> Wood/Avg	Walls <input type="checkbox"/> Drywall/Avg
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 1347 sq. ft.	Roof Surface <input type="checkbox"/> Cmp shgl/Avg	Trim/Finish <input type="checkbox"/> Wood/Avg
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0%	Gutters & Downspouts <input type="checkbox"/> Alum/Avg	Bath Floor <input type="checkbox"/> Tile/Avg
Design (Style) Colonial	<input type="checkbox"/> Outside Entry/Exit <input checked="" type="checkbox"/> Sump Pump	Window Type <input type="checkbox"/> Alum DH/Avg	Bath Wainscot <input type="checkbox"/> Tile/Avg
Year Built 1986	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated <input type="checkbox"/> Combo/Avg	Car Storage <input type="checkbox"/> None
Effective Age (Yrs) 15	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens <input type="checkbox"/> Yes/Avg	<input checked="" type="checkbox"/> Driveway # of Cars 2
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities <input type="checkbox"/> WoodStove(s) #0	Driveway Surface <input type="checkbox"/> Concrete
<input checked="" type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other <input type="checkbox"/> Fuel Gas	<input checked="" type="checkbox"/> Fireplace(s) # 1 <input type="checkbox"/> Fence None	<input checked="" type="checkbox"/> Garage # of Cars 2
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck Deck <input type="checkbox"/> Porch None	<input type="checkbox"/> Carport # of Cars 0
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool None <input checked="" type="checkbox"/> Other Shed	<input checked="" type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in
Appliances <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)			
IMPROVEMENTS Finished area above grade contains: 8 Rooms 4 Bedrooms 2.1 Bath(s) 2,571 Square Feet of Gross Living Area Above Grade			
Additional features (special energy efficient items, etc.): New kitchen; two tone cabinets, solid surface counter tops and SS appliances, beamed ceilings, built-in book shelves and cabinets in LR; trey ceiling in MBR; large tub, shower and vanity area in master bath; rear deck.			
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.): C2; Kitchen-remodeled-one to five years ago; Bathrooms-remodeled-one to five years ago; Overall condition is acceptable and consistent with that typically found in a well-maintained, remodeled home. The subject improvements appear to be properly constructed of materials and finish that are acceptable in this market and price range. No "needed repairs" of significance were noted, although it is possible that some may exist, especially if they were not readily visible to the appraiser.			
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe. While no physical deficiencies or adverse conditions that affect livability, soundness or structural integrity were noted, such items are generally beyond the expertise of the appraiser. Issues of soundness and structural integrity are often related to areas that are hidden from the appraiser's view. See limiting condition #5 and comments on page three related to appraiser's definition of "complete visual inspection."			
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. Functional utility is acceptable, with adequately sized rooms, ample closet space and an efficient layout.			

28

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## UAD – Condition Ratings

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.): C2; Kitchen-remodeled-one to five years ago; Bathrooms-remodeled-one to five years ago; Overall condition is acceptable and consistent with that typically found in a well-maintained, remodeled home. The subject improvements appear to be properly constructed of materials and finish that are acceptable in this market and price range. No "needed repairs" of significance were noted, although it is possible that some may exist, especially if they were not readily visible to the appraiser.

<p style="font-size: 24px; font-weight: bold; color: #000080;">C1</p> <p style="color: #000080;">Improvements very recently constructed. Not previously occupied</p>	<p style="font-size: 24px; font-weight: bold; color: #000080;">C2</p> <p style="color: #000080;">Improvements feature no deferred maintenance. Almost new/renovated</p>	<p style="font-size: 24px; font-weight: bold; color: #000080;">C3</p> <p style="color: #000080;">Improvements are well maintained and feature limited physical depreciation</p>
<p style="font-size: 24px; font-weight: bold; color: #000080;">C4</p> <p style="color: #000080;">Improvements feature some deferred maintenance – functionally adequate</p>	<p style="font-size: 24px; font-weight: bold; color: #000080;">C5</p> <p style="color: #000080;">Improvements have obvious deferred maintenance in need of significant repair</p>	<p style="font-size: 24px; font-weight: bold; color: #000080;">C6</p> <p style="color: #000080;">Improvements need substantial repairs and rehab including most components</p>

29



## Physical Depreciation

Loss in value due to:

- Wear and tear
- Disintegration
- Action of the elements



30

30



## Improvements Section...continued

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials/condition		INTERIOR materials/condition	
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Conc Bl/Avg	Floors	Cpt&HW/Avg		
# of Stories 2	<input checked="" type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Wood/Avg	Walls	Drywall/Avg		
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 1347 sq. ft.	Roof Surface	Cmp shgl/Avg	Trim/Finish	Wood/Avg		
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0 %	Gutters & Downspouts	Alum/Avg	Bath Floor	Tile/Avg		
Design (Style) Colonial	<input type="checkbox"/> Outside Entry/Exit <input checked="" type="checkbox"/> Sump Pump	Window Type	Alum DH/Avg	Bath Wainscot	Tile/Avg		
Year Built 1986	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	Combo/Avg	Car Storage	<input type="checkbox"/> None		
Effective Age (Yrs) 15	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Yes/Avg	<input checked="" type="checkbox"/> Driveway	# of Cars 2		
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> WoodStove(s) #0	Driveway Surface	Concrete		
<input checked="" type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel Gas	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input type="checkbox"/> Fence None	<input checked="" type="checkbox"/> Garage	# of Cars 2		
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck Deck	<input type="checkbox"/> Porch None	<input type="checkbox"/> Carport	# of Cars 0		
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool None	<input checked="" type="checkbox"/> Other Shed	<input checked="" type="checkbox"/> Att.	<input type="checkbox"/> Det. <input type="checkbox"/> Built-in		
Appliances <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven	<input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave	<input type="checkbox"/> Washer/Dryer	<input type="checkbox"/> Other (describe)				
Finished area above grade contains:	8 Rooms	4 Bedrooms	2.1 Bath(s)	2,571	Square Feet of Gross Living Area Above Grade		
Additional features (special energy efficient items, etc.). New kitchen; two tone cabinets, solid surface counter tops and SS appliances; beamed ceilings, built-in book shelves and cabinets in LR; tray ceiling in MBR; large tub, shower and vanity area in master bath; rear deck.							
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C2; Kitchen-remodeled-one to five years ago; Bathrooms-remodeled-one to five years ago; Overall condition is acceptable and consistent with that typically found in a well-maintained, remodeled home. The subject improvements appear to be properly constructed of materials and finish that are acceptable in this market and price range. No "needed repairs" of significance were noted, although it is possible that some may exist, especially if they were not readily visible to the appraiser.							
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe. While no physical deficiencies or adverse conditions that affect livability, soundness or structural integrity were noted, such items are generally beyond the expertise of the appraiser. Issues of soundness and structural integrity are often related to areas that are hidden from the appraiser's view. See limiting condition #5 and comments on page three related to appraiser's definition of "complete visual inspection."							
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. Functional utility is acceptable, with adequately sized rooms, ample closet space and an efficient layout.							

31

31

**MGIC**

## Functional Depreciation

Loss in value due to:

- Design defects
- Change in market preference



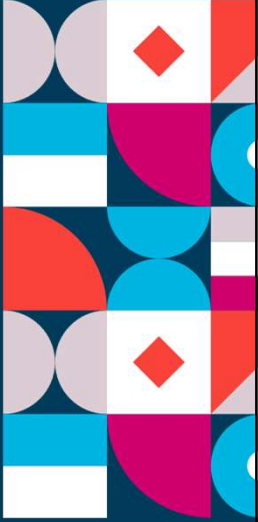

32

32

**MGIC**

## Review Activity

✓ Improvements section



33

33



## Valuation Approaches

### Sales comparison

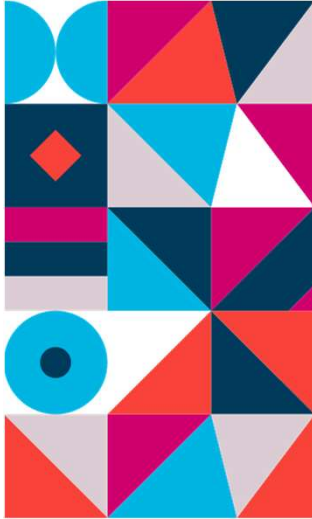
- Compares subject to recent sales of similar homes
  - +/- adjustments based on differences
    - + if inferior to subject
    - - if superior to subject

### Cost

- How much to build subject
  - Recreating the cost of:
    - Land, property & depreciation (as needed)


### Income

- Value based on rental income generated from subject



35

35



## Comparable Sales

### Minimum number

- 3 closed sales required

### Age

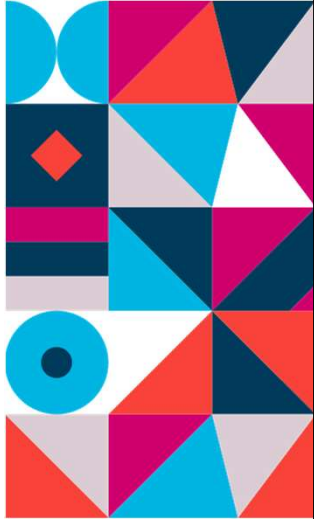
- <12 months
  - Newest not always best

### Selection

- Similar physical and legal characteristics
- Competitive appeal
- Same neighborhood

### Additional requirements for new subdivision/PUD (Planned Unit Development)

- 1 inside and 1 outside



36

36



Form 1004  
Page 2



Sales Comparison Approach

Reconciliation

**Uniform Residential Appraisal Report** Form #

There are 27 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 430,000 to \$ 435,000

There are 20 comparable sales in the subject neighborhood with the most recent reported sale price from \$ 425,000 to \$ 435,000

FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Proximity to Subject				
Sale Price	\$ 430,000	\$ 425,000	\$ 415,000	\$ 435,000
Sale Price/Gross Liv. Area	\$ 167.25/sq. ft.	\$ 162.83/sq. ft.	\$ 161.74/sq. ft.	\$ 162.62/sq. ft.
Data Source(s)	MLS #723369;DOM 80	MLS #724740;DOM 92	MLS #755130;DOM 102	
Verification Source(s)	Assessor Records	Assessor Records	Assessor Records	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing	ArmLth	ArmLth	ArmLth	ArmLth
Concessions	Conv;0	FHA;0	Conv;4000	-4,000
Date of Sale/Time	s06/XX;c04/XX	s07/XX;c05/XX	s08/XX;c06/XX	0
Location	N;Res;	N;Res;	N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	

Indicated Value by: Sales Comparison Approach: 1 Cost Approach (if developed): 2 Income Approach (if developed): 3

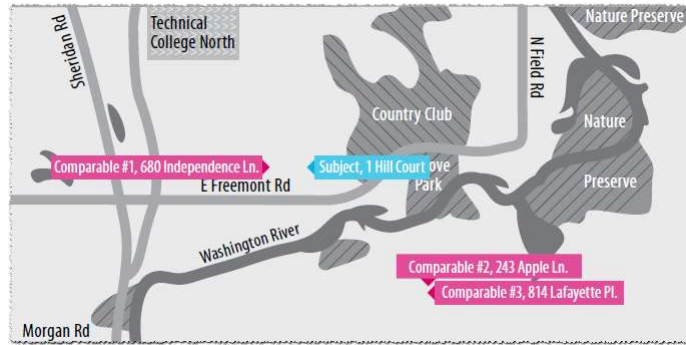
The appraiser makes  "as is"  subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed.  subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed.  subject to the necessary construction based on the contractor's assessment that the condition or conditions shown on the drawings 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, we (we) opine that the market value, as defined, of the real property that is the subject of this report is \$ 430,000 as of the date of inspection and the effective date of this appraisal.

37

Sales Comparison Appro

27 comparable properties currently offered for sale in the subject neighborhood ranging in price from...



There are 27 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 430,000 to \$ 435,000

There are 20 comparable sales in the subject neighborhood with the most recent reported sale price from \$ 425,000 to \$ 435,000

FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Proximity to Subject	0.25 miles W	1.25 miles SE	1.25 miles SE	
Sale Price	\$ 430,000	\$ 425,000	\$ 415,000	\$ 435,000
Sale Price/Gross Liv. Area	\$ 167.25/sq. ft.	\$ 162.83/sq. ft.	\$ 161.74/sq. ft.	\$ 162.62/sq. ft.
Data Source(s)	MLS #723369;DOM 80	MLS #724740;DOM 92	MLS #755130;DOM 102	
Verification Source(s)	Assessor Records	Assessor Records	Assessor Records	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing	ArmLth	ArmLth	ArmLth	ArmLth
Concessions	Conv;0	FHA;0	Conv;4000	-4,000
Date of Sale/Time	s06/XX;c04/XX	s07/XX;c05/XX	s08/XX;c06/XX	0
Location	N;Res;	N;Res;	N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	

38

## UAD Definitions



**Uniform Appraisal Dataset Definitions** File No. 1 Hill Court

**Abbreviations Used in Data Standardization Text**

Abbrev.	Full Name	Appropriate Fields	Abbrev.	Full Name	Appropriate Fields
ac	Acres	Area, Site	in	Interior Only Stairs	Basement & Finished Rooms Below Grade
AdjPrk	Adjacent to Park	Location	Lndfl	Landfill	Location
AdjPwr	Adjacent to Power Lines	Location	LtdSght	Limited Sight	View
A	Adverse	Location & View	Listing	Listing	Sale or Financing Concessions
Armlth	Arms Length Sale	Sale or Financing Concessions	MR	Mid-Rise Structure	Design(Style)
AT	Attached Structure	Design(Style)	Mtn	Mountain View	View
ba	Bathroom(s)	Basement & Finished Rooms Below Grade	N	Neutral	Location & View
br	Bedroom	Basement & Finished Rooms Below Grade	NonArm	Non-Arms Length Sale	Sale or Financing Concessions
B	Beneficial	Location & View	op	Open	Garage/Carport
Byrfd	Busy Road	Location	o	Other	Basement & Finished Rooms Below Grade
cp	Carport	Garage/Carport	O	Other	Design(Style)
Cash	Cash	Sale or Financing Concessions	PK	Park View	View
CitySky	City View Skyline View	View	Pastl	Pastoral View	View
CityStr	City Street View	View	PwrLn	Power Lines	View
Comm	Commercial Influence	Location	PubTrn	Public Transportation	Location
c	Contracted Date	Date of Sale/Time	r	Recreational (Rec) Room	Basement & Finished Rooms Below Grade
Conv	Conventional	Sale or Financing Concessions	Relo	Relocation Sale	Sale or Financing Concessions
cv	Covered	Garage/Carport	REO	REO Sale	Sale or Financing Concessions
CrtOrd	Court Ordered Sale	Sale or Financing Concessions	Res	Residential	Location & View
DOM	Days On Market	Data Sources	RT	Row or Townhouse	Design(Style)
DT	Detached Structure	Design(Style)	RH	Rural Housing - USDA	Sale or Financing Concessions
dw	Driveway	Garage/Carport	SD	Semi-detached Structure	Design(Style)
Estate	Estate Sale	Sale or Financing Concessions	s	Settlement Date	Date of Sale/Time
e	Expiration Date	Date of Sale/Time	Short	Short Sale	Sale or Financing Concessions
FHA	Federal Housing Authority	Sale or Financing Concessions	sf	Square Feet	Area, Site, Basement
g	Garage	Garage/Carport	sgm	Square Meters	Area, Site, Basement
ga	Garage - Attached	Garage/Carport	Unk	Unknown	Date of Sale/Time
gbi	Garage - Built-in	Garage/Carport	VA	Veterans Administration	Sale or Financing Concessions
gd	Garage - Detached	Garage/Carport	wo	Walk Out Basement	Basement & Finished Rooms Below Grade
GR	Garden Structure	Design(Style)	wu	Walk Up Basement	Basement & Finished Rooms Below Grade
GCse	Golf Course	Location	WhFr	Water Frontage	Location
GCsw	Golf Course View	View	Wt	Water View	View
HR	High Rise Structure	Design(Style)	w	Withdrawal Date	Date of Sale/Time
Ind	Industrial	Location & View	Woods	Woods View	View

39

39

## Sales Comparison Approach Section...continued



Site	1.25 ac	34848 sf	5,000	1.1 ac	0	40075 sf	0
View	B;Woods;	N;Res;	5,000	N;Res;	5,000	B;Woods;	
Design (Style)	DT2;Colonial	DT2;Colonial		DT2;Colonial		DT2;Colonial	
Quality of Construction	Q3	Q3		Q3		Q3	
Actual Age	32	31	0	33	0	31	0
Condition	C2	C2		C3	6,000	C2	
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	8 4 2.1	8 3 2.1	0	8 4 2.1		8 4 3.0	-2,500
Gross Living Area	2,571 sq. ft.	2,610 sq. ft.	0	2,466 sq. ft.	5,300	2,675 sq. ft.	-5,200
Basement & Finished Rooms Below Grade	1347sf0sfin	1357sf0sfin	0	1282sf0sfin	0	1391sf0sfin	0

40

40



### UAD – Quality Ratings

View	B;Woods;	N;Res;	5,000	N;Res;	5,000	B;Woods;
Design (Style)	DT2;Colonial	DT2;Colonial		DT2;Colonial		DT2;Colonial
Quality of Construction	Q3	Q3		Q3		Q3

<p><b>Q1</b></p> <p>Unique, architect designed structures</p>	<p><b>Q2</b></p> <p>Often custom designed or upgraded plans</p>	<p><b>Q3</b></p> <p>Above-standard with upgraded finishes</p>
<p><b>Q4</b></p> <p>Meet acceptable building codes; builder grade finishes</p>	<p><b>Q5</b></p> <p>Meet minimum building codes; stock materials</p>	<p><b>Q6</b></p> <p>Basic quality; may not be suitable for year-round occupancy</p>



### Sales Comparison Approach Section...continued

Site	1.25 ac	34848 sf	5,000	1.1 ac	0	40075 sf	0
View	B;Woods;	N;Res;	5,000	N;Res;	5,000	B;Woods;	
Design (Style)	DT2;Colonial	DT2;Colonial		DT2;Colonial		DT2;Colonial	
Actual Age	32	31	0	33	0	31	0
Condition	C2	C3	11,000	C3	6,000	C3	6,000
Above Grade	Total Bdrms, Baths	Total Bdrms, Baths		Total Bdrms, Baths		Total Bdrms, Baths	
Gross Living Area	2,571 sq. ft.	2,610 sq. ft.	0	2,466 sq. ft.	5,300	2,675 sq. ft.	-5,200
Basement & Finished Rooms Below Grade	1347sf0sfin	1357sf0sfin	0	1282sf0sfin	0	1391sf0sfin	0



## Sales Comparison Approach Section...continued

SALES COMPARISON APPROACH	Functional Utility	Acceptable	Acceptable		Acceptable		Acceptable	
	Heating/Cooling	FWA C/Air	FWA C/Air		FWA C/Air		FWA C/Air	
	Energy Efficient Items	Typical	Typical		Typical		Windows	-3,000
	Garage/Carport	2ga2dw	2ga2dw		2ga2dw		2ga2dw	
	Porch/Patio/Deck	Deck	Deck		Patio	1,000	Deck	
		1 F/P	1 F/P		1 F/P		1 F/P	
		Shed	None	1,000	None	1,000	None	1,000
	Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 11,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 18,300	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 13,700
	Adjusted Sale Price of Comparables		Net Adj. 2.6%		Net Adj. 4.4%		Net Adj. -3.1%	
			Gross Adj. 2.6%	\$ 436,000	Gross Adj. 4.4%	\$ 433,300	Gross Adj. 3.6%	\$ 421,300

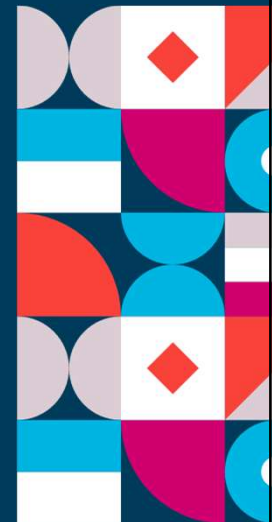
43

43




## Review Activity

✓ Sales Comparison Approach section



44

44



## Sales Comparison Approach Section...continued

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) MLS and County records

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.

**Research Data:**  
 •Prior sale or transfer of subject property for 3 yrs. prior  
 •Prior sale or transfer of the comps for 12 mos. prior to

Site	1.25 ac	34848 sf	5,000	1.1 ac	0	40075 sf	0
View	B;Woods;	N;Res;	5,000	N;Res;	5,000	B;Woods;	
Design (Style)	DT2;Colonial	DT2;Colonial		DT2;Colonial		DT2;Colonial	
Quality of Construction	Q3	Q3		Q3		Q3	
Actual Age	32	31	0	33	0	31	0
Condition	C2	C2		C3	6,000	C2	
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	8 4 2.1	8 3 2.1	0	8 4 2.1		8 4 3.0	-2,500
Gross Living Area	2,571 sq. ft.	2,610 sq. ft.	0	2,466 sq. ft.	5,300	2,675 sq. ft.	-5,200


Summary of Sales Comparison Approach

Summary of Sales Comparison Approach. All of the comparables sales are located within the subject's immediate market area. Adjustments were necessary for site, view, condition, GLA, bathroom, energy efficient items and exterior features. Comparable 2 has inferior updates to the subject. Sales 1 & 2 received view adjustments due to subject's superior wooded view. Sale 1 is in closest proximity, however on a smaller lot size. Adjustments for differences in GLA of greater than 50 feet were made. Sale 3 has superior bath amenity and new energy efficient windows. Sales received adjustments for the subject's garden shed and/or superior deck. The market does not recognize a functional difference between a 3 or 4 bedroom home. Sale 1 provided the least amount of adjustments and is most similar in GLA. Sale 2 is most similar in lot size. Sale 3 is the most recent sale and is similar in lot size and GLA.

Indicated Value by Sales Comparison Approach \$ 430,000    ← Indicated value by Sales Comparison Approach

46

46



## Reconciliation Section

Indicated Value by: Sales Comparison Approach \$430,000    Cost Approach (if developed) \$ 430,000    Income Approach (if developed) \$ 0

The high quality of the data used in the sales comparison approach demonstrates its viability as the best value indicator, with the cost approach in a strong supporting role. As indicated on page three, the income approach to value was not 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 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 \$ 430,000

as of 09/01/20XX which is the date of inspection and the effective date of this appraisal.

▲ "....opinion of the market value, as defined, of the real property that is the subject of this report is"

This appraisal is made  "as is"  subject to...

47

47

## Reconciliation Section

**Indicated Value by: Sales Comparison Approach**

The high quality of the data used in this approach in a strong supporting role.

This appraisal is made  "as is,"  subject to the following repairs or alterations on inspection based on the extraordinary assumption that based on a complete visual inspection of the conditions, and appraiser's certification, made as of 09/01/20XX

This appraisal is made

### Appraisal Update and/or Completion Report

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: \_\_\_\_\_  
 Borrower: \_\_\_\_\_ Contract Price \$: \_\_\_\_\_ Date of Contract: \_\_\_\_\_ Effective Date of Original Appraisal: \_\_\_\_\_  
 Property Rights Appraised:  Fee Simple  Leasehold  Other (describe): \_\_\_\_\_ Original Appraised Value \$: \_\_\_\_\_  
 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:

- 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.
- 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.
- I have updated the appraisal by incorporating the original appraisal report.
- 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:

- 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.
- 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**

Approach (if developed) s 0

Best value indicator, with the cost not developed.

Improvements have been completed,  subject to the following required

Amount of assumptions and limiting effect of this report is \$ 430,000

48
48

## Form 1004D/442 - Appraisal Update and/or Completion Report

- Includes completed appraisal report and front photo of subject
- Appraisal Update
  - Used to update effective date of the appraisal (>120 days old)
  - Report is considered a new assignment
- Used for appraisals completed, "subject to"
  - Report verifies conditions have been met

49
49

## Form 1004 Page 3

**Uniform Residential Appraisal Report** Form 1004

Provide adequate information for the worksheet to calculate the income cost, income and replacement.

Support for the cost of the value (summary of comparable cost sales or other methods for estimating site value)

ESTIMATED REPRODUCTION OR REPLACEMENT COST NEW	OPTIONAL SITE VALUE	1
Cost of land	Monthly	\$ (R) \$1
Quality rating from cost source	Effective rate of cost data	\$ (R) \$1
Comments on Cost Approach (specifying area calculations, depreciation, etc.)		-4
	Site (R) \$1	-4
	Total Estimate of Cost New	-5
	Less: Physical Deterioration	-6
	Depreciation	-6
	Depreciated Cost of Improvements	-4
	Plus: Value of Site Improvements	-4
		-4

Estimated Planning Expenses (L, H, C, and V, only)	Year	Estimated Value By Cost Approach	-4
Estimated Monthly Market Rent \$	Income Cost Multiplier	Estimated Value By Income Approach	-5
Summary of Income Approach (including support for market rent and CAPM)			-5

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

Is the developer/builder in control of the Homeowners' Association (HOA)?  Yes  No  Not known  Unknown  Inactive

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

Total number of units: \_\_\_\_\_ Total number of units in HOA: \_\_\_\_\_

Total number of units in HOA: \_\_\_\_\_ Total number of units in HOA: \_\_\_\_\_

Does the project involve the conversion of an existing building into a PUD?  Yes  No  If Yes, date of conversion: \_\_\_\_\_

Does the project contain any multi-family units?  Yes  No  If Yes, describe the units: \_\_\_\_\_

Are there units, common elements, and recreation facilities complete?  Yes  No  If No, describe the status of completion: \_\_\_\_\_

Do the common elements listed to or by the Homeowners' Association?  Yes  No  If Yes, describe the units, terms and systems: \_\_\_\_\_

Describe common elements and recreational facilities: \_\_\_\_\_

Additional Comments ▶

Cost Approach ▶

Income ▶

PUD Information ▶

50

50

## Additional Comments Section

**Clarification of Intended Use and Intended User:**

The Intended User of this appraisal report is the Lender/Client. The Intended Use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.

---

**Clarification of the term "complete visual inspection":**

Certification #2 on page 5 of this report states that the appraiser has performed a "complete visual inspection" of the property. It should be understood that the "complete visual inspection" was performed within the context of the intended use and intended user identified on page 4 and clarified above. That is, the appraiser's inspection of the property is for valuation purposes only and is strictly for the purpose of assisting the lender/client (and only the lender/client) in evaluating the property for a mortgage finance transaction.

The appraiser's inspection of the property was limited to what was readily observable without moving furniture, floor coverings or personal property. Unless otherwise stated, the appraiser did not view attics, crawlspaces or any other area that would involve the use of ladders or special equipment. The appraiser's viewing of the property was limited to surface areas only and can often be compromised by landscaping, placement of personal property or even weather conditions. Most importantly, the appraiser's inspection of the property is far different from and much less intensive than the type of inspections performed to discover property defects. The appraiser is not a home inspector, building contractor, pest control specialist or structural engineer. An appraisal is not a substitute for a home inspection or an inspection by a qualified expert in determining issues such as, but not limited to, foundation settlement or stability, moisture problems, wood destroying (or other) insects, rodents or pests, radon gas or lead-based paint. The client is invited and encouraged to employ the services of appropriate experts to address any area of concern.

- Supports report conclusion
- Explains inconsistencies

51

51



## Cost Approach Section

COST APPROACH TO VALUE		
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) <b>Site value based upon analysis of 7 sales of sewered sites that transacted within the last 3 years. Sales prices ranged from \$160,000 to \$225,000. Adjustments applied for time, location, terrain, curb appeal. Lot sizes ranged from .75 acres to 2.5 acres. Indicative sales include: 2 Ranch Rd. for \$169,000, 8 Sunnydale Dr. for \$189,000, 20 Sunnydale Dr. for \$220,000 (private access road), 40 Liebau Rd., \$198,000.</b>		
COST APPROACH	ESTIMATED	OPINION OF SITE VALUE ..... = \$ 200,000
	Source of cost	Dwelling 2,571 Sq. Ft. @ \$ 81..... = \$ 208,251
	Quality rating	Basement 1,347 Sq. Ft. @ \$ 31..... = \$ 41,757
	Comments or	Wood Deck 700 Sq. Ft. @ \$11..... = \$ 7,700
	Marshall	Garage/Carport 641 Sq. Ft. @ \$ 23..... = \$ 14,743
	contractor	Total Estimate of Cost-New ..... = \$ 272,451
	the replac	Less 75 Physical Functional External
	based on	Depreciation \$54,490 ..... = \$( 54,490)
	for homes	Depreciated Cost of Improvements ..... = \$ 217,961
	informatio	"As-is" Value of Site Improvements ..... = \$ 12,000
appraisal	<b>INDICATED VALUE BY COST APPROACH ..... = \$ 430,000</b>	
Estimated Remaining Economic Life (HOU and VA only) 00 Years		

**Opinion of site value**

**+** Total estimate of cost-new

**-** Estimated accrued depreciation (physical, functional, external)

**+** As-is value of site improvements

**=** Indicated value by Cost Approach

52

52



## Income Approach Section

INCOME APPROACH TO VALUE	
INCOME APPROACH TO VALUE (not required by Fannie Mae)	
Estimated Monthly Market Rent \$	X Gross Rent Multiplier = \$ Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM) <b>Homes in this price range and neighborhood are typically purchased for use and not income. Thus, the income approach lacks rationale and was not developed.</b>	

Rarely used for single-family due to:

- Generally, not purchased for income purposes
- Limited market/rental information

53

53





# Uniform Appraisal Dataset Definitions

Uniform Appraisal Dataset Definitions		
<b>Condition Ratings and Definitions</b>		
<b>C1</b> The improvements have been very recently constructed and have not previously been occupied. The entire structure is new.	<b>C2</b> Improvements feature some deferred maintenance. Most recently constructed. Not previously occupied.	<b>C3</b> Improvements are well maintained and feature limited physical deterioration.
<b>C4</b> Improvements feature some deferred maintenance. Not previously occupied.	<b>C5</b> Improvements feature significant repairs.	<b>C6</b> Improvements need substantial repairs and include significant components.
<b>Quality Ratings and Definitions</b>		
<b>Q1</b> Overlaid with this quality rating are quality unique structures that are individually designed by an architect for a specific location.	<b>Q2</b> Unique, without designed structures.	<b>Q3</b> Above standard with upgraded finishes.
<b>Q4</b> Meet acceptable building finishes.	<b>Q5</b> Meet minimum building codes, stock materials.	<b>Q6</b> Basic quality; may not be suitable for permanent occupancy.
<b>Definitions of Not Updated, Updated, and Remodeled</b>		
<b>Not Updated</b> Little or no updating or maintenance. This category includes but is not limited to, new homes. Residence portions of three-year or less often reflect an original condition with no updating. If major components of a structure are replaced or updated, the appraiser, however, will reflect the replacement value. If the structure is functional, and this rating does not necessarily imply deferred maintenance or physical functional deterioration.		
<b>Updated</b> The value of the home has been modified to meet current market expectations. These modifications are limited to an updated floor or more, updated roof and/or exterior siding, and/or updated kitchen, bathroom, or other major components. Updates do not include significant alterations to the existing structure.		
<b>Remodeled</b> Significant structural changes have been made that increase utility and expand through completion of a kitchen, bathroom, or bedroom (or, renovation of plumbing, fixtures/appliances, significant structure alterations). The remodel includes complete gutting and rebuild.		
<b>Explanations of Bathroom Counts</b> The number of full and half-baths is reported by separating the two values by a period. The full bath is represented by the left of the period. Three-quarter baths are to be counted as a full bath in all cases. Quarter bath (bath) that feature only toilet.		

Uniform Appraisal Dataset Definitions			File No. 1 Hill Court		
<b>Abbreviations Used in Data Standardization Test</b>					
<b>Abbrev</b>	<b>Full Name</b>	<b>Appropriate Fields</b>	<b>Abbrev</b>	<b>Full Name</b>	<b>Appropriate Fields</b>
AC	Access	Area, Site	IN	Interior Only Stairs	Basement & Finished Rooms Below Grade
ADFL	Adjacent to Park	Location	LA	Landfill	Location
ADPWR	Adjacent to Power Lines	Location	LS	Landmark Sign	View
A	Address	Location & View	LI	Listing	Sale or Financing Concessions
AL	Alley	Location & View	MR	Mid-Rise Structure	Design(DM)
ALR	Alley Run	Sale or Financing Concessions	NI	Neighborhood	Location & View
AT	Attached Structure	Design(DM)	NR	Non-Residential Length Sale	Sale or Financing Concessions
BA	Bathrooms	Basement & Finished Rooms Below Grade	OP	Open	Design(DM)
B	Basement	Basement & Finished Rooms Below Grade	O	Other	Basement & Finished Rooms Below Grade
BE	Beneficial	Location & View	OT	Other	Design(DM)
BR	Buyer	View	P	Power Line	View
BU	Buy Road	Sale or Financing Concessions	PR	Public View	View
C	Carport	View	PT	Public Transportation	Location
CA	Cash	Sale or Financing Concessions	RE	Recreational (Rec) Room	Basement & Finished Rooms Below Grade
CC	City View	View	RS	Recreation Site	Sale or Financing Concessions
CCV	City Street View	View	REO	REO Sale	Sale or Financing Concessions
CYR	Commercial Influence	Location	R	Residential	Location & View
C	Completed Date	Date of Sale/Time	RT	Row or Townhouse	Design(DM)
CO	Conventional	Sale or Financing Concessions	RH	Room Housing, USCA	Sale or Financing Concessions
COF	Coastal Sale	Sale or Financing Concessions	SD	Specialty Structure	Design(DM)
COM	Days On Market	Data Source	S	Settlement Date	Date of Sale/Time
DT	Detached Structure	Design(DM)	SS	Short Sale	Sale or Financing Concessions
DS	Driveway	Sale or Financing Concessions	ST	Square Feet	Area, Site, Basement
E	Estimate Sale	Sale or Financing Concessions	UM	Unknown	Date of Sale/Time
F	Federal Housing Authority	Sale or Financing Concessions	US	Vehicle Administration	Sale or Financing Concessions
G	Garage - Attached	Garage/Carport	W	Walk Out Basement	Basement & Finished Rooms Below Grade
GA	Garage - Detached	Garage/Carport	WU	Walk Up Basement	Basement & Finished Rooms Below Grade
GI	Garage - In-Unit	Garage/Carport	WF	Water Frontage	Location
GS	Garage Structure	Design(DM)	WF	Water View	View
GSC	Golf Course	Location	WV	Water View	View
G	Gift Course View	View	W	Withdrawal Date	Date of Sale/Time
H	High Rise Structure	Design(DM)	WV	Wood View	View
I	Industrial	Location & View			
<b>Other Appraiser-Defined Abbreviations</b>					
<b>Abbrev</b>	<b>Full Name</b>	<b>Appropriate Fields</b>	<b>Abbrev</b>	<b>Full Name</b>	<b>Appropriate Fields</b>




## Did the appraiser provide an opinion of market value based on market data, logical analysis & judgment?



60



65



### Accessory Dwelling Units: Avoiding Common Mistakes and Understanding the ADU

(ID: 0000024613)

**Course description:**  
The prevalence of ADUs is growing dramatically across the US. You won't want to miss out on how ADUs can help build your borrower base. Find out what an ADU is, the benefits of an ADU and our underwriting requirements.



**Suggested classes for you**

Class ID: 0000028875	Free
Webinar	<b>ENROLL</b>
16-AUG-2022	
Virtual Class Location (Eastern Time)	
Instructor: Carrie Cooper	Language: English
Duration: 01:00	Available seats: 461
<a href="#">View detail</a> <a href="#">Attachments</a> <a href="#">Session Details: 16-AUG-2022 (2:00 PM - 3:00 PM)</a>	


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Class ID: 0000029009	Free
Webinar	<b>ENROLL</b>
13-SEP-2022	
Virtual Class Location (Eastern Time)	
Instructor: Carrie Cooper	Language: English
Duration: 01:00	Available seats: 194
<a href="#">View detail</a> <a href="#">Attachments</a> <a href="#">Session Details: 13-SEP-2022 (2:00 PM - 3:00 PM)</a>	

Select from the suggested classes above or [find more classes](#)



## Appraising Accessory Dwelling Units (ADUs) for Fannie Mae



In this course we will explore information about ADUs, including requirements, construction types, and how to report ADUs in an appraisal report.

**Let's Go**

narration begins on next slide.

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