Appraisal Underwriting

Participant Manual

Genworth Mortgage Insurance Customer Training

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Genworth Mortgage Insurance Corporation

Genworth
Mortgage Insurance

Table of Contents

Contents

Session Overview 3

Basics 4

Responsibilities: Who Does What? 5

Appraisal Exhibits 10

Subject Section 11

Contract Section 16

Neighborhood Section 19

Site Section 23

Improvements Section 27

Project Information Condominiums 33

Primary Occupancy 33

Project Analysis Condominiums 36

Unit Description Condominiums 37

Sales Comparison 38

Analyzing Comparable Properties 38

Size (GLA) and Bedroom Count 43

Declining Markets 43

Analyzing the Sales Comparison Grid 44

Sales Comparison Grid Basics 45

Non-Value Adjustment, or Identifier, Fields 46

Previous Sale and Transfer History 56

Summary of/Indicated Value by Sales Comparison 57

Reconciliation 58

Comments 58

Cost Approach 59

Income Approach 60

Project Information for PUDs 61

Statement of Assumptions and Limiting Conditions 62
Appraiser/Supervisory Appraiser Signatures 63
Some Appraisal Red Flags Commonly Noted by Underwriters 64
Sales Comparison Considerations: Underwriting Loans for Genworth MI Coverage 65
Resources 66

Session Overview

This manual is for use in the Genworth Appraisal Underwriting and Focus on Sales Comparison sessions.

Additional Genworth Appraisal Training Sessions

- Manufactured Housing
- Rural Property Appraisals

Participant Note

- **The session utilizes, and the manual references, the following documents, which can be found in the Resources Addendum of this manual:**
  - **The sample appraisal for "XXX Parliament Drive"**
- **This manual also references the following:**
  - **Fannie Mae and Freddie Mac Uniform Appraisal Dataset Specification (Appendix D)**

Genworth Appraisal Review Checklist

- The Genworth Single Family Appraisal Review Checklist can be found at: https://new-content.mortgageinsurance.genworth.com/documents/uw-tips-and-credit-policy/Appraisal%20Review%20Checklist.pdf
  - The Genworth 2-4 Unit Appraisal Review Checklist can be found at: https://new-content.mortgageinsurance.genworth.com/documents/uw-tips-and-credit-policy/Appraisal%20Review%20Checklist%20-%202-4%20units.pdf
  - They can also be found in the Resource Addendum section at the end of this manual.
  - Reminders contained within the Checklist are also included within the information presented.

Basics

The Role of the Appraisal and Appraiser

- Understanding the real estate collateral is an important part of the loan
- Most people working on a loan never actually see the collateral.
    - For most loans, an appraiser inspects/observes the property with an on-site and interior observation.
    - An appraiser is expected to be impartial and not act as an advocate for any party
    - An appraiser is expected to be competent and perform competently
    - An appraiser completes an appraisal report that summarizes their observations, findings and analysis The appraisal reports provides:
        - Information about the **neighborhood/market area** of the property.
        - A **description** of the property.
        - An estimate of **market value**, with supporting detail on how the appraiser arrived at the value.
        - **Additional exhibits, photographs, maps, sketch**

Market Value

Market value is the most probable price that 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 impacted by undue stimulus.

- The buyer and seller are typically motivated.
- Both parties are well informed/advised, each acting in what he/she considers his/her own best interest.
- A reasonable amount of time is allowed for exposure in the open market.
- Payment is made in terms of US dollars.
- The price represents normal consideration for the property sold, unaffected by special or creative financing or sales concessions.

Responsibilities: Who Does What?

REMINDER: Appraisers Choose Comps; Underwriters Review Appraisals.

Seller/Lender Responsibilities

- Appraiser Selection
  - Qualified
  - Without Undue Influence
  - In Accordance with Home Appraiser Independence Requirements (AIR)
- Providing Appraiser With:
  - Sales Contract, with
    - All Addendums, as per Investor Guidelines
    - Legal Description
  - Other Available Information About Property/Transaction
    - Sales/financing concessions
    - Including any funds paid on behalf of the Borrower,
    - Whether funds are consider Interested Party Contributions (IPC) which may be subject to contribution limits
- Underwriting the Appraisal
  - Opinion Reflects Market Value
  - Completeness
  - Supported and credible
  - In Compliance with Guidelines
- Disclose Required Information to Appraiser
- The appraiser must have requisite knowledge
  - Market Area
  - Property Type
- See guidelines for specific appraiser selection criteria
  - Fannie Mae Selling Guide §B4-1.1-03: Appraiser Selection Criteria
  - Freddie Mac Single-Family Seller/Servicer Guide §5601.3: General appraisal requirements

Fannie Mae

B4-1.1-05: Disclosure of Information to Appraisers (12/06/2016)

This topic contains information on lender disclosure of information to appraisers, including:

Overview
Sales Contract Information
Information Disclosed to the Appraiser
Contract Changes After the Appraisal is Completed

Overview

Any and all information about the subject property that the lender is aware of must be disclosed to the appraiser. The appraiser must determine if the information could affect either the marketability of the property or the opinion of the market value of the property.

Sales Contract Information

All financing data and sales concessions for the subject property that will be or have been granted by anyone associated with the transaction must be disclosed to the appraiser, as appropriate. Typically, this information is provided in the sales contract. Therefore, the lender must provide, or ensure that the appraiser is provided with, a copy of the complete, ratified sales contract and all addenda for the property that is to be appraised.

Information Disclosed to the Appraiser

Financial Information

The list below includes items that must be disclosed to the appraiser on purchase transactions, if applicable:

- settlement charges,
- loan fees or charges,
- discounts to the sales price,

Freddie Mac –

5601.3 General appraisal requirements (09/14/17)

(j) Information supplied to the appraiser

The Seller warrants that they or a third party specifically authorized by the Seller provided the following information on the subject property, as applicable, to the appraiser in conjunction with all appraisal requests:

1. The complete legal description (see Section 4201.19 for legal description requirements)
2. The complete sales contract for purchase transactions, including:
   - All non-realty items
   - Financing terms
   - Financing and sales concessions granted by anyone associated with the transaction, and
   - Any gifts, buydowns or down payment assistance provided by anyone on behalf of the Borrowers

   Note: A sales contract on a new home should state the base price of the house and itemize each option.

   The Seller is not required to provide the appraiser with an updated sales contract unless the updated terms impact the physical description or condition of the property. In such cases, the Seller must obtain an updated appraisal for the property. Changes to the sales contract that are not required to be provided to the appraiser include, but are not limited to:
   - Changes to the transaction terms such as sales price, financing or sale concessions, and
   - Date revisions, corrections to typographical errors, etc.
3. Any known affiliation between the property seller and the purchaser. (Refer to Section 5601.12(b)).
4. Income and expense statements and property leases
5. Generally acceptable energy reports such as the Home Energy Rating System (HERS®) report and U.S. Department of Energy (DOE) Home Energy Score report, if applicable; and

URAR

Uniform Residential Appraisal Report File # 0904001

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

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.

Uniform Standards of Professional Appraisal Practice (USPAP)

- Provides guidelines for the development of appraisal reports.
- Authored and Maintained by The Appraisal Foundation.

USPAP Standards Rule 2-3

Each written real property appraisal report must contain a signed certification that is similar in content to the following form:

I certify that, to the best of my knowledge and belief:

— the statements of fact contained in this report are true and correct.

— the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

— I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.

— I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

— my engagement in this assignment was not contingent upon developing or reporting predetermined results.

— my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

— my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice.*

— I have (or have not) made a personal inspection of the property that is the subject of this report. (If more than one person signs this certification, the certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)41

— no one provided significant real property appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant real property appraisal assistance must be stated.)

Appraiser Responsibilities

The appraiser provides the lender with:

- A credible and appropriately supported opinion of market value
- An objective analysis of quantifiable data to support housing trends
- All relevant information that supports the conclusions about market conditions, including:
    - Sales/financing concessions
    - Down payment assistance
    - Days on market, list-to-sales price ratios, and availability of financing

Lender (Reviewer/Underwriter) Responsibilities

The appraisal reviewer is charged with properly reviewing the appraisal:

- Verifying the appraisal is completed on appropriate form
- Ensuring the opinion of market value is supported (per GSE definitions)
- Looking for consistency: Do the comments and data provided make sense?
- Noting and accounting for any marketability issues
- Ensuring that all Uniform Appraisal Dataset (UAD) requirements have been met for all loans being sold to a GSE
- Ensuring that maps, the floor plan, photos and all other necessary appraisal addenda or exhibits have been provided
    - These must support the description provided by the appraiser and data from other sources
- The appraisal meets the applicable lending standards

Inconsistent data:

- The appraisal data needs to be consistent:
    - Within the appraisal
    - Between the appraisal and other information in the loan file
    - Between the appraisal/loan file and outside resources
- The appraiser should appropriately explain any material differences, if known
    - Follow your lender and/or employer guidelines on how to contact the appraiser
- Investors may be apprehensive to purchase those loans containing inconsistent information

Appraisal Exhibits

The Following Exhibits Should Be Included With Each Appraisal.

Interior/Exterior inspection reports for loans being sold to a GSE must include at least the following:

- Clear pictures of the subject property that support the information on the appraisal:
    - Front View
    - Rear View
    - Street Scene
        - Identifies the subject
        - Evidences neighboring improvements
    - Kitchen
    - Bathrooms
    - Main Living Area
    - Outbuildings
- Building Sketch
- Additional photographs, as needed to evidence any physical deterioration, improvements, amenities, conditions and/or external influences impacting value

Photographs of Each Comparable Sale: Clear, Front View

Location Map

- Showing location of subject and comps

Section-By-Section Review: Uniform Residential Appraisal Report (URAR)

Fannie Mae Form 1004
Freddie Mac Form 70

Subject Section

In the Subject Section, the reviewer learns basic information about the property, the parties involved and the transaction.

Uniform Residential Appraisal Report File # Sample Appraisal

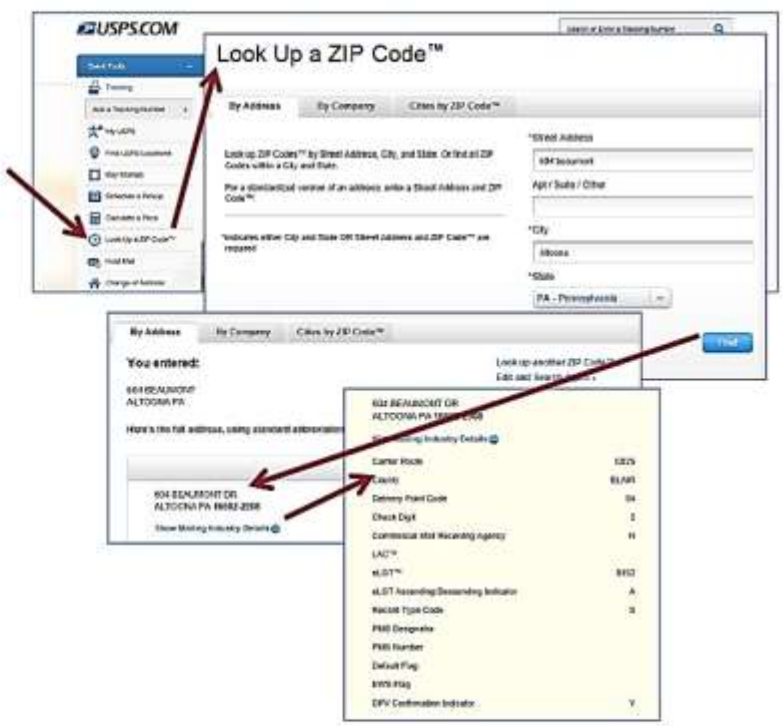
The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

SUBJECT

Property Address XXXX Oriole Drive		City Durham		State NC	Zip Code 27701
Borrower Bob Smith & Jill Smith		Owner of Public Record Jane Doe		County Durham	
Legal Description Block 5, Lot A at Anytown Estates					
Assessor's Parcel # 12x-25A-4356-7811-XX		Tax Year 2015		R.E. Taxes $ 2,860	
Neighborhood Name Anytown Estates		Map Reference 20500		Census Tract 0022.00	
Occupant ☐ Owner ☐ Tenant ☒ Vacant		Special Assessments $ 0	☐ PUD	HOA $ 0	☐ per year ☐ per month
Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)					
Assignment Type ☒ Purchase Transaction ☐ Refinance Transaction ☐ Other (describe)					
Lender/Client Friendly Bank		Address 12XX Main Street, Anytown, TX 276XX			
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 58 Listed for $225,000 since 6/15/2015 in the TMLS (MLS 12345678)			

Property Address

- Physical location
- United States Postal Service (USPS) standard format
    - http://usps.com
    - Zip Code Finder
- New construction can use “Other” to submit to Uniform Collateral Data Portal® (UCDP®) if there is no USPS address
    - Appraiser should provide as much information as possible



Uniform Residential Appraisal Report File # Sample Appraisal

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: XXXX Oriole Drive	City: Durham	State: NC	Zip Code: 27701	
	Borrower: Bob Smith & Jill Smith	Owner of Public Record: Jane Doe	County: Durham		
	Legal Description: Block 5, Lot A at Anytown Estates				
	Assessor's Parcel #: 12x-25A-4356-7811-XX	Tax Year: 2015	R.E. Taxes $: 2,860		
	Neighborhood Name: Anytown Estates	Map Reference: 20500	Census Tract: 0022.00		
	Occupant: ☐ Owner ☐ Tenant ☒ Vacant	Special Assessments $: 0	☐ PUD	HOA $: 0	☐ per year ☐ per month
	Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Other (describe)				
	Assignment Type: ☒ Purchase Transaction ☐ Refinance Transaction ☐ Other (describe)				
	Lender/Client: Friendly Bank	Address: 12XX Main Street, Anytown, TX 276XX			
	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 58 Listed for $225,000 since 6/15/2015 in the TMLS (MLS 12345678).			

Borrower

- Should be borrower on application

Owner of Public Record

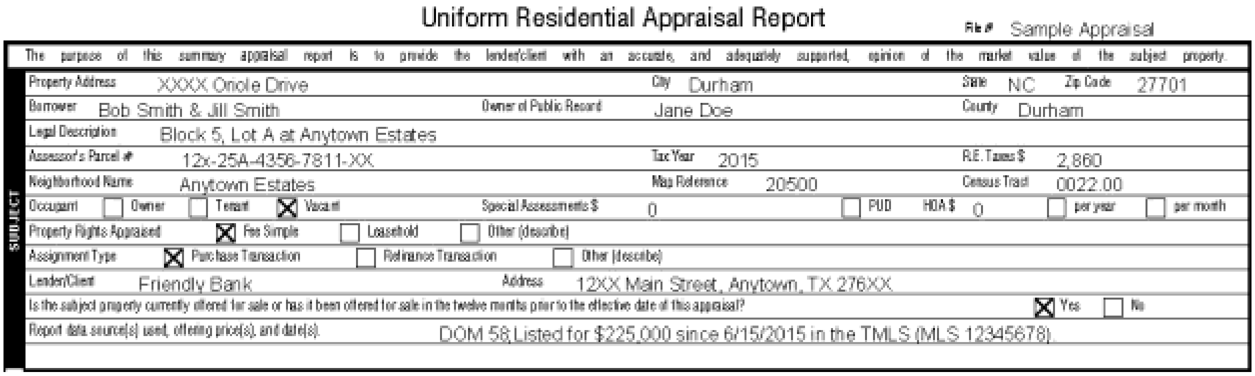
- Purchase Transaction: Seller on Contract
- Refinance Transaction: Borrower

Legal Description, Assessor's Parcel #, Tax Year, RE Taxes, Neighborhood Name, Map Reference, Census Tract

- Appraiser researches and provides this information, which will also appear on the title report
- If the information on the final title report differs materially, reach out to the appraiser for clarification/correction
- Assessor's Parcel #: Format used by taxing agency
- Neighborhood Name: Name recognized by municipality where property located
    - Subdivision Name if applicable
    - Otherwise: Common name by which residents refer to the neighborhood

Occupant

- Owner, Tenant or Vacant
- Look for consistency with application and all documents in the file
- Should make sense!



Uniform Residential Appraisal Report

File # Sample Appraisal

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 XXXX Oriole Drive		City Durham		State NC	Zip Code 27701
Borrower Bob Smith & Jill Smith	Owner of Public Record	Jane Doe		County Durham	
Legal Description Block 5, Lot A at Anytown Estates					
Assessor's Parcel # 12x-25A-4356-7811-XX		Tax Year 2015		R.E. Taxes $ 2,860	
Neighborhood Name Anytown Estates		Map Reference 20500		Census Tract 0022.00	
Occupant ☐ Owner ☐ Tenant ☒ Vacant	Special Assessments $ 0		☐ PUD	HOA $ 0	☐ per year ☐ per month
Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)					
Assignment Type ☒ Purchase Transaction ☐ Refinance Transaction ☐ Other (describe)					
Lender/Client Friendly Bank	Address 12XX Main Street, Anytown, TX 276XX				
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 58 Listed for $225,000 since 6/15/2015 in the TMLS (MLS 12345678)					

Special Assessment

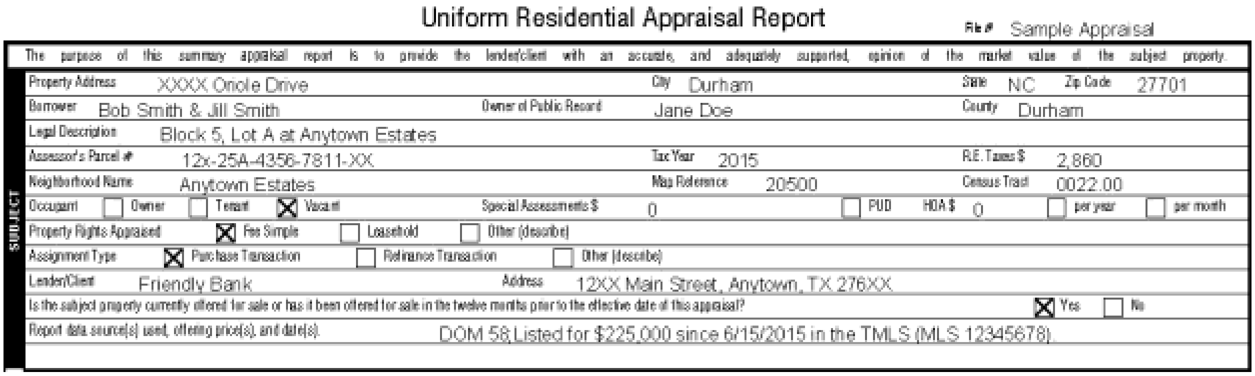
- Definition: Tax levied by government or taxing authority for a specific purpose
    - Ex: A special assessment is levied for all houses on a street to pay for new sidewalks
    - Ex: An area votes to become a Special Services District, agreeing to pay an additional tax for increased police protection
- Can be one-time or continuing
- Attaches to the property; new owners will have to pay
- If more than one, should be added together
- Should be included in PITIA

PUD (Indicator)

- Marked if the property is located in a Planned Unit Development (PUD)
- Look for additional information in the PUD Section on the bottom of the third page of the appraisal

Homeowner Association (HOA)

- Fees, in whole dollars, per month or year
- If mandatory, should be included in PITIA
    - Verify amount of HOA fees with purchase and sales agreement, by-laws or other legal documents



Uniform Residential Appraisal Report

File # Sample Appraisal

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SUBJECT

Property Address XXXX Oriole Drive | City Durham | State NC | Zip Code 27701

Borrower Bob Smith & Jill Smith | Owner of Public Record Jane Doe | County Durham

Legal Description Block 5, Lot A at Anytown Estates

Assessor's Parcel # 12x-25A-4356-7811-XX | Tax Year 2015 | R.E. Taxes $ 2,860

Neighborhood Name Anytown Estates | Map Reference 20500 | Census Tract 0022.00

Occupant ☐ Owner ☐ Tenant ☒ Vacant | Special Assessments $ 0 | ☐ PUD | HOA $ 0 | ☐ per year ☐ per month

Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)

Assignment Type ☒ Purchase Transaction ☐ Refinance Transaction ☐ Other (describe)

Lender/Client Friendly Bank | Address 12XX Main Street, Anytown, TX 276XX

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 58 Listed for $225,000 since 6/15/2015 in the TMLS (MLS 12345678)

Property Rights Appraised

- **Fee Simple**: Owner has all rights to property
- **Leasehold**: Improvements on the property are owned, but the land is leased or "rented"
    - Borrower must pay "ground rent" to remain on property
    - Ground rent should be included in PITIA
    - Check all applicable guidelines: Lender, Investor, MI Company
        - Guidelines can vary
        - See Fannie Mae Selling Guide B2-3-03: Special Property Eligibility and Underwriting Considerations: Leasehold Estates
        - See Freddie Mac Single-Family Seller/Servicer Guide Chapter 5704: Leasehold Estates
- **Other**
    - Specify
    - Example: Land Contract

Uniform Residential Appraisal Report File # Sample Appraisal

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 XXXX Oriole Drive	City Durham	State NC	Zip Code 27701	
	Borrower Bob Smith & Jill Smith	Owner of Public Record Jane Doe	County Durham		
	Legal Description Block 5, Lot A at Anytown Estates				
	Assessor's Parcel # 12x-25A-4356-7811-XX	Tax Year 2015	R.E. Taxes $ 2,860		
	Neighborhood Name Anytown Estates	Map Reference 20500	Census Tract 0022.00		
	Occupant ☐ Owner ☐ Tenant ☒ Vacant	Special Assessments $ 0	☐ PUD	HOA $ 0	☐ per year ☐ per month
	Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)				
	Assignment Type ☒ Purchase Transaction ☐ Refinance Transaction ☐ Other (describe)				
	Lender/Client Friendly Bank	Address 12XX Main Street, Anytown, TX 276XX			
	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 58 Listed for $225,000 since 6/15/2015 in the TMLS (MLS 12345678).			

Assignment Type

- **Purchase:** With the loan proceeds, the borrower will be acquiring ownership interest in property in which the borrower does not presently have ownership
- **Refinance:** The borrower currently owns the property and will be replacing existing financing, adding an additional lien and/or obtaining financing on a property that is presently owned free and clear
- **Other:** Must be specified; Ex: For Estate Settlement Purposes

Lender/Client

- For whom the appraisal is written for, typically the lender
- Unacceptable: Buyer, Seller, Real Estate Agent

Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date?

- Offering Price, Offering Date(s), Data Source(s)
- If currently and/or previously offered for sale, all offerings must be reported
- Purchase: If property has not been offered for sale is it an arms-length transaction?
- Refinance: Check guidelines for any required seasoning

Report data source(s)

- Days on Market (DOM), offering price(s), offering date(s) and MLS ID#, if applicable

Contract Section

The lender is required to give the appraiser a copy of the sales contract in a purchase transaction; the appraiser should review the contract and provide an analysis in the Contract Section, or explain why the analysis was not completed. The appraiser review is in addition to the underwriter's review of the sales contract.

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. Arms length sale;The purchase agreement has no unusual conditions or seller concessions. The property was exposed to the market for a reasonable amount of time. No personal property was included in the purchase agreement.

Contract Price $ 218,000 Date of Contract 03/02/2016 Is the property seller the owner of public record? ☒ Yes ☐ No Data Source(s) Durham Assessor

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. $0;;No seller concessions or other financial assistance is reported.

I ☐ did or ☐ did not analyze the contract…

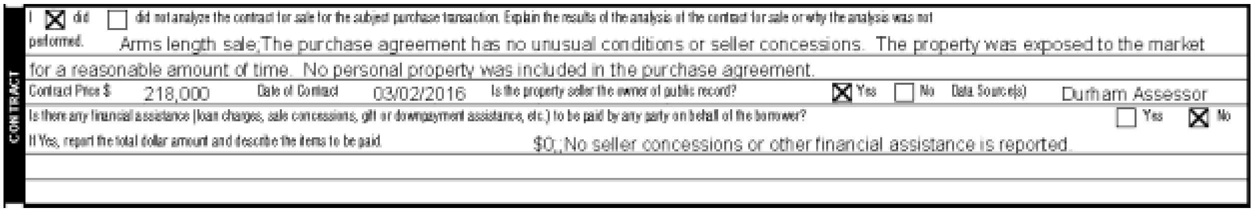
- A drop-down menu for "Sale Type" appeared when the appraiser selected "did"
- Appendix D includes a Sales Type list, shown here
- Only one sale type can be selected
- When more than one answer applies, the highest on the list is chosen
- The narrative provided on this line usually includes information which appears elsewhere on the appraisal form
  - Check for consistency

SALE TYPE
REO sale
Short sale
Court ordered sale
Estate sale
Relocation sale
Non-arms length sale
Arms length sale

Contract Price/Date of Contract

- Verify contract date and sale price match the actual purchase and sale agreement
- The sales price on the contract in the loan file must match the sales price in the Sales Comparison section of the appraisal report
- If addendums were later signed, some lenders require the appraiser update the appraisal; check your individual guidelines
- Fannie Mae and Freddie Mac require the lender to provide the appraiser with all amendments made to a sales contract including amendments that are made after completion of the appraisal. Fannie Mae and Freddie Mac have clarified when the appraiser must be provided with updates to the sales contract and circumstances that warrant updates to the appraisal
  - i.e. if the contract is amended such as the description of the property, the appraiser must be provided with the updated contract and the appraisal should be updated.

- Examples include amendments due to revised plans/specs for new constructions or remodeling
- Changes in legal description, acreage parcel description
- Renegotiated sales price or seller concessions as a result of property inspection revealing property damage or deferred home maintenance
- Minor updates to the contract such as changes to seller paid closing costs or changes to the contract price do not require an updated appraisal.


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. Arms length sale;The purchase agreement has no unusual conditions or seller concessions. The property was exposed to the market for a reasonable amount of time. No personal property was included in the purchase agreement.

Contract Price $ 218,000 Date of Contract 03/02/2016 Is the property seller the owner of public record? ☒ Yes ☐ No Data Source(s) Durham Assessor

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. $0;;No seller concessions or other financial assistance is reported.

Is the seller the owner or record?

- If the seller is not the owner of public record, the transaction could be a quick flip or the public records may not be updated with the most current information
    - Verify owner of record by review the preliminary title or checking public records websites
- Property flipping can be legitimate, but properties being flipped were common characteristics of fraud schemes. Thus, the underwriter should examine the report and documents closely and with extra caution
- Look for specific property flipping guidelines applicable to your loan

Must do's regarding Owner of Record - When a new appraisal is required, the Seller must verify:

For purchase transactions:

The property seller listed on the sales contract is the Owner of Record of the subject property or

If the transaction involves the sale of land separate from the dwelling, the property seller listed on the sales contract for the land is the Owner of Record for the land.

For refinance transactions, the Borrower is an Owner of Record of the subject property.

For transactions that involve the payoff of a land contract, the property seller is the vendor on the recorded land contract and the Owner of Record of the subject property; and the Borrower is a vendee on the recorded land contract.

If the property seller for purchase transactions or the Borrower for refinance transactions is not the Owner of Record, the Seller must investigate the circumstances of the transaction to ensure that the transaction is legitimate. The Seller must retain documentation evidencing the verification or legitimacy of the transaction in the Mortgage file. Such documentation may include, but is not limited to, the appraiser's analysis and conclusions in the appraisal, a property sales history report, a copy of the recorded deed, a copy of a property tax bill, or the title commitment or binder indicating the legal ownership of the property.

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. Arms length sale;The purchase agreement has no unusual conditions or seller concessions. The property was exposed to the market for a reasonable amount of time. No personal property was included in the purchase agreement.

Contract Price $ 218,000 Date of Contract 03/02/2016 Is the property seller the owner of public record? ☒ Yes ☐ No Data Source(s) Durham Assessor

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. $0;;No seller concessions or other financial assistance is reported.

Is there any financial assistance to be paid on behalf of the borrower?

- Includes closing costs, any other payments
  - Prepaids , Allowances, Abatements, Personal property
- If value of any part of the assistance cannot be determined, known amount should be reported
  - Ex: $5000; There is financial assistance amount that is unknown, Down Payment Assistance, plus furniture of unknown value
- Appraiser will usually indicate whether the assistance is/is not common for the market
- If the appraiser indicates that it is common, confirm concession activity in the adjustments section
- Certain financial assistance information must be disclosed to the appraiser
- Fannie Mae has updated the policy to require disclosure of changes to financing information (such as loan fees and charges, and subordinate financing provided by interested parties) to the appraiser only for purchases

Neighborhood Section

This appraisal section examines the neighborhood boundaries, characteristics and other neighborhood factors that can impact value. When analyzing the Neighborhood section, the reviewer should see evidence that the subject property generally conforms in the market.

NEIGHBORHOOD

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	[X] Urban	[ ] Suburban	[ ] Rural	Property Values	[ ] Increasing	[X] Stable	[ ] Declining	PRICE		AGE	One-Unit	100 %
Built-Up	[X] Over 75%	[ ] 25-75%	[ ] Under 25%	Demand/Supply	[ ] Shortage	[X] In Balance	[ ] Over Supply	$ (000)		(yrs)	2-4 Unit	%
Growth	[ ] Rapid	[X] Stable	[ ] Slow	Marketing Time	[X] Under 3 mths	[ ] 3-6 mths	[ ] Over 6 mths	195	Low	30	Multi-Family	%
Neighborhood Boundaries	The neighborhood boundaries are generally considered Topeka Street to the							300	High	60	Commercial	%
North, Durham-Chapel Hill to the South, University Drive to the East, and Chapel-Hill Rd to the West.								215	Pred.	25	Other	%

Neighborhood Description The subject is located in Durham, NC offering local employment, schools, and shopping. Durham is located in an urban county with suburban areas surrounding the city. The subject neighborhood is comprised of average quality ranch and split level style homes that were constructed by Aspen Building. The neighborhood is fully developed and is comprised exclusively of single family dwellings.

Market Conditions (including support for the above conclusions) Market conditions are generally stable with median property values of $215,000 and a stable trend showing moderate seasonal fluxuation. Local employment is available and the unemployment rate is 4.5% with a historical range of 4% to 6%. Demand for housing is good and some new housing and commercial/retail is being built throughout the town.

Neighborhood Characteristics

- For each characteristic, the appraiser chooses the description that best describes the subject's neighborhood
    - The first answer for each characteristic is better than average
    - The middle answer for each characteristic is average, and suggests the neighborhood is marketable
    - The third answer for each characteristic may suggest there is a marketability issue or a circumstance requiring additional scrutiny
- **Location** *(Note: Many appraisers follow "common and customary" practices when classifying locations.)*
    - **Urban**: Densely populated core of a city; people generally walk to shops and services
    - **Suburban**: Smaller, less densely populated areas just outside a major city (i.e. bedroom communities)
    - **Rural**: The "country" far from a city core; usually there is much lower population density, larger lots and not us much built up
- **Built Up**
    - Percent of buildable land being used
    - If $\leq$25 is noted, the reviewer should pay close attention to the Zoning and Present Land Use information to ensure marketability
- **Growth Rate**
    - Slow growth can be a negative indicator for marketability, but it can also be very common in rural areas

NEIGHBORHOOD

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	[X] Urban	[ ] Suburban	[ ] Rural	Property Values	[ ] Increasing	[X] Stable	[ ] Declining	PRICE		AGE	One-Unit	100 %
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One-Unit Housing Trends

- For each trend, the appraiser chooses the description that best describes where the recent historical trends
  - Different types of housing in the same geographic neighborhood may be impacted by different market forces: experiencing different trends
- The first answer for each trend is better than average
- The middle answer for each trend is average, and suggests the neighborhood is marketable
- The third answer for each trend may suggest a declining or distressed market
  - Check all applicable guidelines when a subject is in a declining/distressed market
  - Examples: Lower maximum LTV; Pending Sales or Listings required as additional comps in the Sales Comparison section

One-Unit Housing Price/Age Range *(Range of similar homes in the subject's market)*

- **Price**: Subject sales price/value should fall within range provided by appraiser
  - If outside the range but within 10% of the range – higher or lower – it may be acceptable with appraiser explanation
  - If more than 10% outside the range – higher or lower – it is unlikely the property can be used as collateral for a residential mortgage
    - If below, the subject may be an under improvement or have significant condition issues
    - If above, it may be an over-improvement, unique or unusual
- **Age**: Anything outside the range should be explained
  - Look for any marketability issue

NEIGHBORHOOD

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Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing			Present Land Use %	
Location	[X] Urban	[ ] Suburban	[ ] Rural	Property Values	[ ] Increasing	[X] Stable	[ ] Declining	PRICE		AGE	One-Unit	100 %
Built-Up	[X] Over 75%	[ ] 25-75%	[ ] Under 25%	Demand/Supply	[ ] Shortage	[X] In Balance	[ ] Over Supply	$ (000)		(yrs)	2-4 Unit	%
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Present Land Use %

- Appraisers should comment on the mix on present land use, addressing any marketability issues that impact the neighborhood and/or subject

Neighborhood Boundaries

- There should be clear, delineated neighborhood boundaries
    - North, South, East and West must be specified
- Check the map included with each appraisal to ensure the boundaries show a neighborhood and the comps are within that neighborhood
    - Natural boundaries, such as large waterways and highways often divide one neighborhood from another
    - Municipality and school borders are often neighborhood boundaries

Neighborhood Description

- A robust neighborhood description often includes information about:
    - Distance to major/primary employment center
    - Distance to local shopping/retail/commercial
    - Government services available
    - School districts
    - Competing/Market alternative communities or neighborhoods

- Housing density
- Primary employment
- Typical residential lot sizes
- Land uses
- Sales and listing activity specifics
- Property and housing characteristics

- There should be no unsupported assumptions or potentially discriminatory language included in the description
  - Ex: Terms like "pride of ownership" or "bad/good neighborhood" are subjective and potentially discriminatory and can result in misleading or unsupported conclusions

Market Conditions

- Look for evidence of market health, including supply/demand trends, marketing times, and value trends
- This section provides key information about the market
  - The Current Market Conditions and Trends may not always match
    - The present conditions will typically reflect recent historical market trends, but may also include comments about likely future changes.
    - Ex: The present market trends show increasing values:
      - Scenario: The appraiser has researched the sale price trends which show generally flat prices for 24 months followed by a marked increase in the past two months. The appraiser is aware of an impending highway extension to the subject city which will open easy access to a major employment center; an improvement that has increased the demand for housing in the neighborhood.

Site Section

The Site Section provides information about the land and site improvement, including utilities, roads, views, and access.

SITE

Dimensions 100x200 | Area 20000 sf | Shape Rectangular | View N;Res;

Specific Zoning Classification RS IM/1-Family | Zoning Description Residential Single Family

Zoning Compliance [X] Legal [ ] Legal Nonconforming (Grandfathered Use) [ ] No Zoning [ ] Illegal (describe)

Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? [X] Yes [ ] No If No, describe The current use represents the highest and best use. It is legally permissible, physically possible, financially feasible and maximally productive.

Utilities	Public	Other (describe)		Public	Other (describe)	Off-site Improvements – Type		Public	Private
Electricity	[X]	[ ]	Water	[X]	[ ] Durham City	Street	Asphalt	[X]	[ ]
Gas	[X]	[ ]	Sanitary Sewer	[X]	[ ]	Alley	None	[ ]	[ ]

FEMA Special Flood Hazard Area [ ] Yes [X] No | FEMA Flood Zone X | FEMA Map # 37063C0821K | FEMA Map Date 08/02/2007

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

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

There are no known adverse site conditions. The subject is located on a generally level city lot with residential views. The subject is located on a side street with minimal traffic activity.

Dimensions, Area and Shape

- If area is less than one acre, use square feet
- If area is one acre or more, use acreage to two decimal points
- GSEs require the entire site be included in the appraisal: not just a portion of the site

View

- A letter indicates the impact the view has on the property value
  - **N**eutral, **A**dverse, **B**eneficial
- Abbreviations indicate what is specifically viewed from the subject property
  - Appendix D contains an Exhibit explaining the abbreviations
  - The abbreviations Exhibit is commonly included as an addendum in the appraisal report

ABBREVIATED ENTRY	VIEW FACTOR
Wtr	Water View
Pstrl	Pastoral View
Woods	Woods View
Prk	Park View
Glfvw	Golf Course View
CtySky	City View Skyline View
Mtn	Mountain View
Res	Residential View
CtyStr	City Street View
Ind	Industrial View
PwrLn	Power Lines
LtdSght	Limited Sight
See Instruction Below	Other – Appraiser to enter a description of the view*

Zoning Classification and Description

- Zoning should allow for residential use
- Generally, the letter "R" indicates residential zoning

Zoning Compliance

- **Legal**: The property meets the present zoning requirements

SITE

Dimensions 100x200 | Area 20000 sf | Shape Rectangular | View N;Res;

Specific Zoning Classification RS IM/1-Family | Zoning Description Residential Single Family

Zoning Compliance [X] Legal [ ] Legal Nonconforming (Grandfathered Use) [ ] No Zoning [ ] Illegal (describe)

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Utilities	Public	Other (describe)		Public	Other (describe)	Off-site Improvements – Type		Public	Private
Electricity	[X]	[ ]	Water	[X]	[ ] Durham City	Street	Asphalt	[X]	[ ]
Gas	[X]	[ ]	Sanitary Sewer	[X]	[ ]	Alley	None	[ ]	[ ]

FEMA Special Flood Hazard Area [ ] Yes [X] No | FEMA Flood Zone X | FEMA Map # 37063C0821K | FEMA Map Date 08/02/2007

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- **Legal Nonconforming (Grandfathered Use):** The subject does not conform to the current zoning requirement. However, the property is legal because the current use predates the current zoning and the non-compliant usage is "grandfathered". Also, the property use may have a variance.
  - The question that needs to be answered is "If the property is partially destroyed, can it be rebuilt as-is?"
  - The appraiser must either:
    - Provide current zoning regulations showing the property can be rebuilt to present condition/density, or
    - Reach out to the municipality and get written confirmation the property can be rebuilt if partially destroyed
  - If the property cannot be rebuilt, it might not be eligible collateral for a conventional mortgage
- **No Zoning**: There is no zoning
- **Illegal**: The property cannot be accepted as collateral for a conventional mortgage unless the appraiser provides credible written support for marketability
  - Negative impact on value would be likely result due to the limited financing ability and the risk to a prospective buyer that the illegal use would be discovered and the use discontinued

Is the Highest and Best Use…

- If residential use is **NOT** the highest and best use:
  - The appraiser must explain
  - Lenders/Investors will be apprehensive to close/purchase the loan
  - Freddie Mac requires residential usage must be the highest and best use
  - Genworth requires residential usage be the highest and best use ≥15 acres
- Present and/or planned usage of adjoining properties can help identify the subject's highest and best use

SITE							
Dimensions 100x200		Area 20000 sf		Shape Rectangular		View N;Res;	
Specific Zoning Classification RS IM/1-Family		Zoning Description Residential Single Family					
Zoning Compliance	[X] Legal	[ ] Legal Nonconforming (Grandfathered Use)	[ ] No Zoning	[ ] Illegal (describe)			
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use?			[X] Yes	[ ] No	If No, describe	The current	
use represents the highest and best use. It is legally permissible, physically possible, financially feasible and maximally productive.							
Utilities	Public	Other (describe)		Public	Other (describe)	Off-site Improvements – Type	Public / Private
Electricity	[X]	[ ]	Water	[X]	[ ] Durham City	Street Asphalt	[X] / [ ]
Gas	[X]	[ ]	Sanitary Sewer	[X]	[ ]	Alley None	[ ] / [ ]
FEMA Special Flood Hazard Area	[ ] Yes	[X] No	FEMA Flood Zone X	FEMA Map # 37063C0821K		FEMA Map Date 08/02/2007	
Are the utilities and off-site improvements typical for the market area?			[X] Yes	[ ] No	If No, describe		
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?				[ ] Yes	[X] No	If Yes, describe	
There are no known adverse site conditions. The subject is located on a generally level city lot with residential views. The subject is located on a							
side street with minimal traffic activity.							

Utilities

- Public, Other or None
- If "Other" is marked, the appraiser should do each of the following:
    - Describe,
    - Note community/market acceptance,
    - Visually inspect
    - Inform the lender if any condition appears to exist which warrants additional inspection

Street and Alley

- Public, Other or None
- If "Other": Check guidelines to see if additional information is required
    - If a Private Road is maintained by an association to which the borrower is already paying mandatory dues, additional information is usually not needed
    - Otherwise, check if lender/investor guidelines or state laws require additional information be included and/or required fees considered

FEMA Special Flood Hazard Area

- Compare to Flood Cert information
- If subject is in a FEMA Special Flood Hazard Area, the underwriter should check to see:
    - That the appraiser explained the impact on value and marketability, if any, and,
    - Whether any of the comparable sales share the same condition

Dimensions 100x200	Area 20000 sf	Shape Rectangular	View N;Res;
Specific Zoning Classification RS IM/1-Family	Zoning Description Residential Single Family		
Zoning Compliance [X] Legal [ ] Legal Nonconforming (Grandfathered Use)	[ ] No Zoning [ ] Illegal (describe)		
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use?	[X] Yes [ ] No If No, describe	The current use represents the highest and best use. It is legally permissible, physically possible, financially feasible and maximally productive.	
Utilities / Public / Other (describe)	Public / Other (describe)	Off-site Improvements – Type	Public / Private
Electricity [X] [ ]	Water [X] [ ] Durham City	Street Asphalt	[X] [ ]
Gas [X] [ ]	Sanitary Sewer [X] [ ]	Alley None	[ ] [ ]
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Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?	[ ] Yes [X] No If Yes, describe		
There are no known adverse site conditions. The subject is located on a generally level city lot with residential views. The subject is located on a side street with minimal traffic activity.			

"Typical for the Market Area?" and Adverse Site Conditions/External Factors

- Read information carefully
- Any negative information needs to be further evaluated
    - The appraiser needs to provide information showing the property is not too flawed to be collateral for a conventional mortgage
    - Ex: The property has railroad tracks running through the yard, but the appraiser is able to show market acceptance through similarly impacted comparables

Site Challenges

- Acreage
    - GSEs: No maximum acreage
        - Check lender/investor guidelines for overlays
    - Genworth:
        - No acreage limit for Simply Underwrite eligible loans
        - No more than 40 acres for all other loans
            - Genworth does, from time to time, make exceptions for homes on larger lots
            - These exceptions can only be made by a Genworth Underwriter, so
            - Please send those loans in for coverage consideration
        - Over 15 acres: Check guidelines for additional considerations
    - When there is significant acreage, always ensure the property is residential in nature, rather than commercial/agricultural

Improvements Section

The Improvements Section provides information about the dwelling and other improvements built on the property.

General Description	Foundation	Exterior Description materials/condition	Interior materials/condition
Units [X] One [ ] One with Accessory Unit	[ ] Concrete Slab [X] Crawl Space	Foundation Walls Cinder Block	Floors Carpet&Vinyl/Avg
# of Stories 1	[ ] Full Basement [X] Partial Basement	Exterior Walls Brick/Wd/Alm Siding	Walls Drywall/Avg
Type [X] Det. [ ] Att. [ ] S-Det./End Unit	Basement Area 936 sq.ft.	Roof Surface Asphalt Shingle	Trim/Finish Pine/Avg
[X] Existing [ ] Proposed [ ] Under Const.	Basement Finish 50 %	Gutters & Downspouts Aluminum	Bath Floor Vinyl/Avg
Design (Style) Ranch	[ ] Outside Entry/Exit [ ] Sump Pump	Window Type Viny Double Hung	Bath Wainscot Fiberglass/Avg
Year Built 1965	Evidence of [ ] Infestation	Storm Sash/Insulated None	Car Storage [ ] None
Effective Age (Yrs) 20	[ ] Dampness [ ] Settlement	Screens Yes	[X] Driveway # of Cars 2
Attic [ ] None	Heating [X] FWA [ ] HWBB [ ] Radiant	Amenities [ ] Woodstove(s) # 0	Driveway Surface Concrete
[ ] Drop Stair [ ] Stairs	[ ] Other Fuel Nat. Gas	[X] Fireplace(s) # 1 [ ] Fence None	[X] Garage # of Cars 2
[ ] Floor [X] Scuttle	Cooling [X] Central Air Conditioning	[X] Patio/Deck Patio [ ] Porch None	[ ] Carport # of Cars 0
[ ] Finished [ ] Heated	[ ] Individual [ ] Other	[ ] Pool None [ ] Other None	[X] Att. [ ] Det. [ ] Built-in
Appliances [ ] Refrigerator [ ] Range/Oven	[X] Dishwasher [X] Disposal [X] Microwave	[ ] Washer/Dryer [ ] Other (describe)	

General Description

- Units: One or One with Accessory
  - Accessory unit example: Garage Apartment; In-law Suite
  - Unlike a separate unit, accessory units do not have separate postal addresses, utility hook-ups
  - The appraisal must demonstrate an accessory unit's market acceptance by including at least one similar comparable
  - Accessory unit rental income cannot be considered as qualifying income
  - Even if an accessory unit is not legal to the zoning, it may still be acceptable
    - Check specific GSE, lender and investor guidelines
- #of Stories
  - Numeric, to two decimal points
- Type
  - Detached, Attached, Semi-Detached End Unit
  - Existing, Proposed, Under Construction
- Design/Style
  - Style names (ex: Ranch, Dutch, Colonial) vary by local market
- Year Built
  - If unknown, designated with ~
- Effective Age
  - If different from actual age, the appraiser should describe what updates, maintenance and renovations justify the lower effective age

General Description	Foundation	Exterior Description materials/condition	Interior materials/condition
Units [X] One [ ] One with Accessory Unit	[ ] Concrete Slab [X] Crawl Space	Foundation Walls: Cinder Block	Floors: Carpet&Vinyl/Avg
# of Stories: 1	[ ] Full Basement [X] Partial Basement	Exterior Walls: Brick/Wd/Alm Siding	Walls: Drywall/Avg
Type [X] Det. [ ] Att. [ ] S-Det./End Unit	Basement Area: 936 sq.ft.	Roof Surface: Asphalt Shingle	Trim/Finish: Pine/Avg
[X] Existing [ ] Proposed [ ] Under Const.	Basement Finish: 50 %	Gutters & Downspouts: Aluminum	Bath Floor: Vinyl/Avg
Design (Style): Ranch	[ ] Outside Entry/Exit [ ] Sump Pump	Window Type: Viny Double Hung	Bath Wainscot: Fiberglass/Avg
Year Built: 1965	Evidence of [ ] Infestation	Storm Sash/Insulated: None	Car Storage [ ] None
Effective Age (Yrs): 20	[ ] Dampness [ ] Settlement	Screens: Yes	[X] Driveway # of Cars: 2
Attic [ ] None	Heating [X] FWA [ ] HWBB [ ] Radiant	Amenities [ ] Woodstove(s) #: 0	Driveway Surface: Concrete
[ ] Drop Stair [ ] Stairs	[ ] Other Fuel: Nat. Gas	[X] Fireplace(s) #: 1 [ ] Fence: None	[X] Garage # of Cars: 2
[ ] Floor [X] Scuttle	Cooling [X] Central Air Conditioning	[X] Patio/Deck: Patio [ ] Porch: None	[ ] Carport # of Cars: 0
[ ] Finished [ ] Heated	[ ] Individual [ ] Other	[ ] Pool: None [ ] Other: None	[X] Att. [ ] Det. [ ] Built-in
Appliances [ ] Refrigerator [ ] Range/Oven	[X] Dishwasher [X] Disposal [X] Microwave	[ ] Washer/Dryer [ ] Other (describe)	

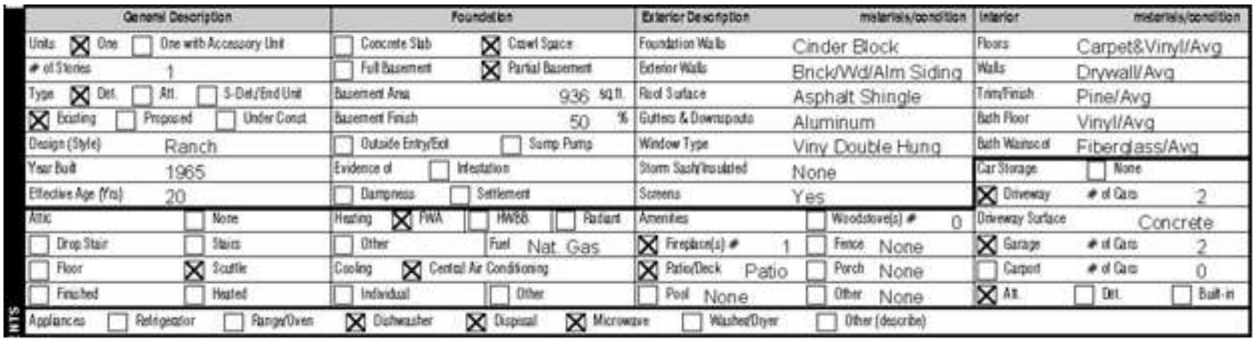
Attic

- Access method and level of finish

Foundation

- Basement Area
  - Numeric, to five digits
  - Percent of basement that is finished is shown
- Not typically included in the Gross Living Area (GLA) or room count
- Based on finish may add substantially to the value
- If a significant portion is above ground and the finish level is high and consistent throughout the home, a deviation may be appropriate
- Outside Entry/Exit
- Sump Pump
  - Acceptable
- Evidence of Infestation, Dampness or Settlement
  - Depending on comments from appraiser, the appraisal report may need to be written subject to an inspection or repair
  - The extent of damage may not be readily visible
  - May indicate an issue with the structural integrity of the property
    - Active situations impacting structural integrity must be fixed prior to loan closing
    - A report from a professional can be used to evidence that the condition does not impact structural integrity
    - Loans cannot be delivered to a GSE if there are issues impacting the dwelling's structural integrity

- o Appraiser may need to re-inspect and report back to the lender if a repair is necessary
- o Receipts evidencing payment for repair must be in the loan file
    - ▪ Otherwise, workman liens could potentially be placed on the property after the loan closes



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[ ] Floor [X] Scuttle	Cooling [X] Central Air Conditioning	[X] Patio/Deck Patio [ ] Porch None	[ ] Carport # of Cars 0
[ ] Finished [ ] Heated	[ ] Individual [ ] Other	[ ] Pool None [ ] Other None	[X] Att. [ ] Det. [ ] Built-in
Appliances [ ] Refrigerator [ ] Range/Oven	[X] Dishwasher [X] Disposal [X] Microwave	[ ] Washer/Dryer [ ] Other (describe)	

Heating/Cooling

- The dwelling should have a permanent heating source that is typical and common to the area
    - o Any unheated square footage should not be included in the GLA
- Cooling is not required
    - o May be value/marketability issue in some markets

Exterior/Interior Description

- Materials/Condition
- Anything impacting safety, soundness, or structural integrity must be repaired prior to the loan being sold to the GSEs.
- The appraisal should be completed subject-to these repairs.

Amenities

- Marked boxes indicate which amenities are present.
- Fireplaces and Woodstoves: Number of each should be noted.
- “Other” should be explained.

Car Storage

- The UCDP requires the appraiser note driveway/car storage.
- Number of spaces for each storage type is noted.

Appliances

- Checked if built in.

IMPROVEMENTS

Finished area above grade contains: 7 Rooms 3 Bedrooms 2.5 Bath(s) 2,244 Square Feet of Gross Living Area Above Grade

Additional features (special energy efficient items, etc.). Patio, fireplace.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C4;No updates in the prior 15 years; The subject is in average overall condition. No significant items of repair or deferred maintenance were noted. The hot water tank was reportedly replaced in 2014. There were some minor areas of soiled carpet and dated decor. The estimated cost to cure is <$1,500 and is considered typical of homes of this age in this area.

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

None noted.

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

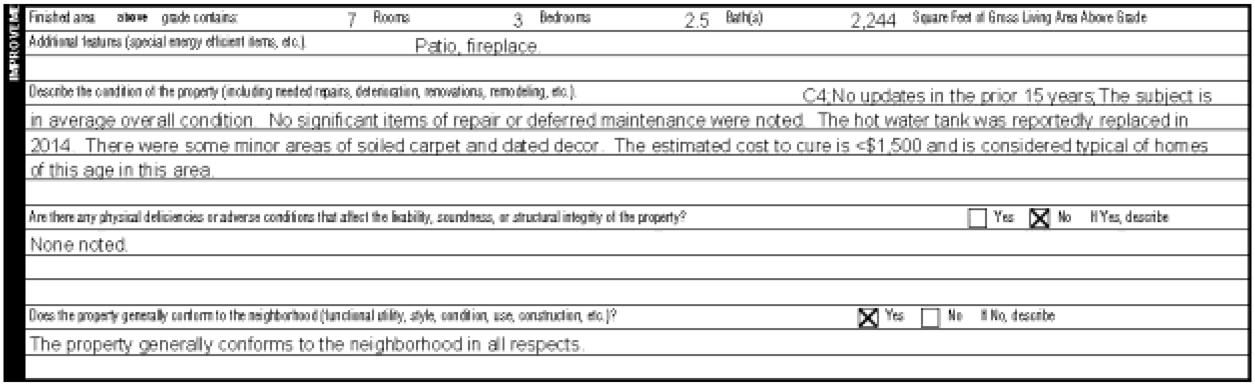
The property generally conforms to the neighborhood in all respects.

Finished Area Above Grade Contains

- Typically, only above grade rooms/square footage are included.
    - Exceptions may be split foyer or raised ranch homes.
- Appraisers report the total number of rooms, bedrooms and bathrooms.
    - Bathroom count reported with numbers to the left and right of a decimal point. *(i.e. 2.1 on the appraisal section shown above)*
        - To the left of the decimal point, full and three-quarter baths.
        - To the right of the decimal point, half baths.
- Look for the room count/square footage here to be consistent with the Sales Comparison and the sketch included with the appraisal.

Additional Features

- Includes special energy efficient items.



Finished area above grade contains: 7 Rooms 3 Bedrooms 2.5 Bath(s) 2,244 Square Feet of Gross Living Area Above Grade

Additional features (special energy efficient items, etc.) Patio, fireplace

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C4;No updates in the prior 15 years; The subject is in average overall condition. No significant items of repair or deferred maintenance were noted. The hot water tank was reportedly replaced in 2014. There were some minor areas of soiled carpet and dated decor. The estimated cost to cure is <$1,500 and is considered typical of homes of this age in this area.

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

None noted.

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

The property generally conforms to the neighborhood in all respects.

Describe the Condition of the Property

- Condition Ratings can be found in Appendix D, Exhibit 1.
  - Most appraisals include Exhibit 1.
  - C6 rating makes property ineligible for delivery, unless repaired.
  - Check applicable lender/investor guidelines for C5 rating acceptance.
    - C5 properties are ineligible for Freddie Mac delivery. (Freddie Mac Single-Family Seller/Servicer Guide §5601.12e)
  - When the ranking is unacceptable for delivery, the appraisal should be subject to repairs and provide an “as repaired” C rating.
    - A final inspection would be required to confirm the final C rating.
- All improvements must be considered in the ranking.
- The property is rated in its merits, not on a neighborhood comparison.
- Work completed within the past fifteen (15) years.
  - Kitchen and Bathroom work is noted.
    - Level of work completed.
      - Updated: Modified to meet current market expectations.
      - Not Updated: Little or no updates or modernization.
      - Remodeled: Significant work; Structural changes; complete replacement and/or expansion.
    - Timeframe. (Less than one year ago; One to five years ago; Six to ten years ago; Eleven to fifteen years ago; Timeframe unknown.)
    - Description and condition.
    - Cross reference interior photos to comments made by appraiser.
      - Look for consistency.

Physical Deficiencies/Conformity

- Look for any indication of:
    - Marketability Issue,
    - Unique Property,
    - Anything else that might impact functional or external obsolescence and/or all other appraiser comments regarding the property.

Project Information Condominiums

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		# o f Planned Units	
☐ Existing ☐ Proposed	Total # Parking	# of Units For Sale		# of Units for Sale		# of Units for Sale	
☐ 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 Description
- General Description
- Subject Phase
- Is Project Complete or Incomplete

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

Always check your Investor guidelines for Specific Project Review Types and Requirements.

Primary Occupancy

Management Group- Who is in control?

- No more than 15% of homeowners association dues or assessments are delinquent more than 60 days.

Single Entity

- Generally, a single-investor concentration-No single entity must own more than 10% of the total number of units in the Condominium Project. A single entity may own up to 2 units in a project consisting of 5-20 units.

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.

Is the Project a Conversion

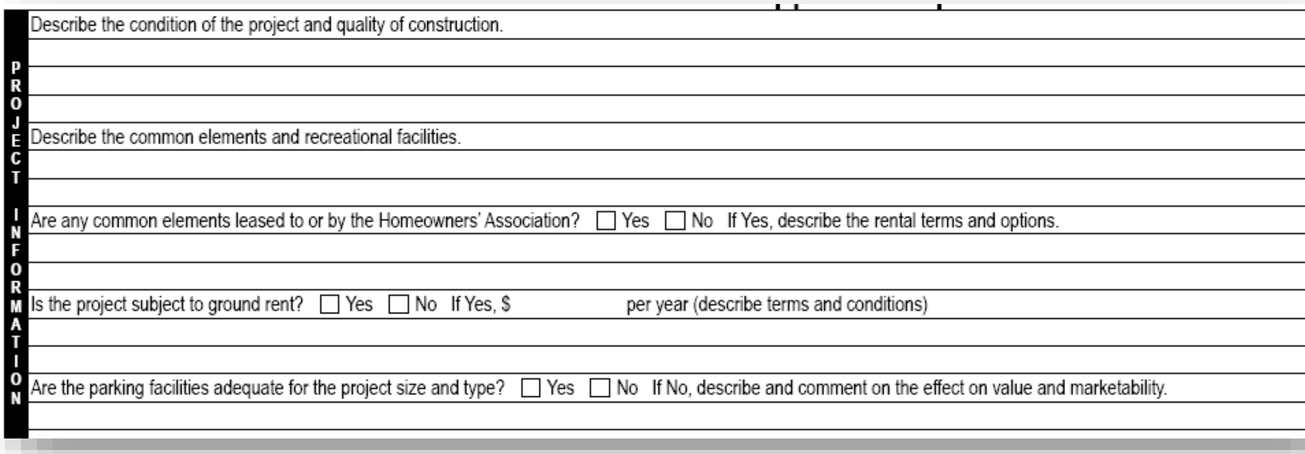
Soundness and condition-For a conversion that was legally created in the most recent three years, either:

- The architect's/engineer's report or a functional equivalent originally obtained for the conversion must comment favorably on the structural integrity of the project, and the condition and remaining useful life of the major project components such as the heating and cooling systems, plumbing, electrical systems, elevators, boilers, roof, etc.
- The appraiser must explicitly comment on the structural soundness, habitability and condition of the project, and the remaining useful life of the major project components such as but not limited to the roof, elevators, and mechanical systems such as the HVAC, plumbing, electrical systems, boilers, etc.
- All work involved in a Condominium conversion must have been completed in a professional manner.

Is the Project Complete

Is there any Commercial Space

- Any commercial space in the project must be compatible with the overall residential nature of the project. No more than 35% of the total space must be used for nonresidential purposes.



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.

Condition & Quality of Construction

Common Elements & Recreational Facilities

Common Elements such as parking and recreational facilities must be consistent with the nature of the project and be competitive in the market.

- The unit owners must be the sole owners of and have the right to the use of Common Elements including but not limited to all buildings, roads, parking and Amenities. The developer must not retain any ownership interest in any of them.
- The Common Elements including Amenities such as parking and recreational facilities must not be subject to a lease between the unit owners/homeowners association and any other party

Leases or Ground Rent

Parking

Project Analysis Condominiums

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.

Analysis of the Budget

The budget must be consistent with the nature of the project. Review specific investor requirements.

Additional Fees

Special or Unusual Characteristics

Unit Description Condominiums

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	☐ Fireplace(s) #	☐ Refrigerator	☐ None
# of Levels	Walls	☐ Woodstove(s) #	☐ Range/Oven	☐ Garage ☐ Covered ☐ Open
Heating Type Fuel	Trim/Finish	☐ Deck/Patio	☐ Disp ☐ Microwave	# of Cars
☐ Central AC ☐ Individual AC	Bath Wainscot	☐ Porch/Balcony	☐ Dishwasher	☐ Assigned ☐ Owned
☐ Other (describe)	Doors	☐ Other	☐ 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

$ Per Square feet of GLA

General Description

Car Storage

Sales Comparison

This Section Covers:

- Analyzing Comparable Sales Selection
- Reading the Sales Comparison Grid
    - Non-Value Adjustment Fields
    - Value Adjustment Fields
- Reconciliation
- Sales/Transfer History

Analyzing Comparable Properties

This section provides information about analyzing the comparable properties chosen by the appraiser.

- Guidelines and best practices for evaluating the selection of comparable properties.
- Accounting for foreclosure and short sale activity in comparison selection.
- Resources that can help evaluate comparison selection.

At least three closed sales need to be provided as comparable properties.

- More can be provided.
- Pending Sales and Listings may offer additional support, but should not be relied as a closed sale.
    - These can demonstrate the subject's current competition.
    - These can evidence current market conditions.
- Comparable sales should have closed within the previous year.
    - Check applicable guidelines.
    - Comparables must make sense for the subject's market.
    - Recent sales offer a measure of the current market.
    - When a sale(s) over 12 months is used, the appraiser should address items such as the following:
        - The effort made to find newer comps.
        - The basis/summary support for any market condition adjustment.

- Time/market condition adjustments may be warranted for older comps if the market has changed significantly between the date the comp went under contract and the effective date of the appraisal.
- See the Value Adjustments section of this manual for additional information about time adjustments.

When the appraiser indicates there is a shortage of comps:

- The appraiser should explain:
    - The effort made to find comps.
    - What the shortage indicates about the market.
  - Is the market **stable**?
    - Solid, strong
    - Example: No houses have been listed or sold within five miles of the comp. Although there are many homes, they rarely go on the market, and there is no foreclosure or short sale activity.
- If there is a shortage of comps, the appraiser may have to select dated or older comparables, or look to a nearby, competing market.
  - Similarities between the subject and comp should be highlighted.
  - Explaining why certain comps were not chosen can be insightful.
- Use outside resources to confirm the information the appraisal reports.
  - http://www.listingbook.com/home
  - http://www.netronline.com

Unacceptable practices in choosing comparable properties.

- Misrepresentation of comp's physical characteristics.
- Selection or use of inappropriate comps.
- Failure to use comps that are locationally and physically most similar to the subject property.
- Use of comps even though the appraiser has not personally inspected the exterior of the comps by at least driving by them.
- See Fannie Selling Guide §B4-1.1-04.
- See Freddie Mac Single-Family Seller/Servicer Guide §5601.4.

General comparison selection requirements include:

- Comps should come from an area within the neighborhood/market area impacted by the same market forces.
- If there are adverse conditions noted on the first page of the appraisal form, at least one comp should be impacted by the same or similar condition.
    - If subject is on a busy street, or dump-adjacent, one or more comps should have a similar influence.
    - Look for both disadvantages in the subject's location or advantages in the comps' locations.

Review the map carefully

- Look for the neighborhood boundaries reported in the appraisal report.
- Does the location map support the appraiser's comments?
    - Do the distances make sense?
    - Have natural boundaries been crossed?
        - Waterways, Highways, Large Parks, Railroad Tracks, etc.
- Compare the map included with the appraisal to other maps
    - Map Web Sites: Google Earth, Yahoo! Maps, or MapQuest.
    - School and municipality maps.

Distance and Location

- While there is no distance rule, the distance must make sense.
    - **Urban Location**
        - Highly, densely populated.
        - Comps should be close by, often within one mile, and within the same market area.
            - In some instances, one mile might be too far!
        - Areas with unique issues, such as rapid gentrification, may require "block by block" selection of comps.
    - **Suburban Location**
        - No set distance rule, but it needs to make sense.
        - Tract homes in subdivisions would likely not be compared to a free standing custom built home.
        - Look for subdivision boundaries (see below), school district lines and distance to shopping and employment.
    - **Rural Location**
        - Often there are not many nearby recent sales or home, so miles away may still be a similar market.
        - Genworth offers training specifically covering rural property appraisals, including a pre-recorded Webinar.
- Regardless of where the property is located, there is no "set" distance rule.
- The distance must make sense for where the subject property is located.
- Be aware, on higher LTV loans where MI is needed, there may be additional scrutiny of the appraisal report.
    - MI companies typically want to see comps within one mile in urban and suburban areas.
- The appraiser's explanation is the key to understanding why the chosen comps are the best indicators of value for the subject.
- Subject located in a subdivision, condominium or PUD project
    - **Established** (resale market)
        - All comparables should be from within the project
        - Institutional or investor sellers/buyers may require outside comparables as well
    - **New** (builder/developer still selling)
        - At least one comp from within the project

    - At least one comp from a nearby competing project
        - Appraiser should note the nearby project is unrelated to subject's builder/developer
    - If there are no contract sales for new subdivisions, new PUDS or new Condominiums, appraisers may develop an appraisal report with all comparable sales from outside the new subdivision or project.
        - Appraisers can use two pending sales in lieu of one closed sale in the subject subdivision or project in the event a closed sale is not yet available. (Three closes sales are still required in addition to the pending sales)
        - Appraisers must comment on marketability of the new development or project and justify and support the use of the comparables sales from outside the new subdivision or project
        - Appraisers may use comparable sales that are older than 12 months as long as the appraiser can justify and support such use in the appraisal report

Bracketing

- Bracketing means the subject is not the best or worst in any characteristic category, when compared to the comparable sales in the appraisal report.
    - At least one comp is superior, and one inferior, to the subject.
- The comps should "bracket" the subject in as many features as possible, including:
    - Unadjusted Sales Price
    - Gross Living Area (GLA)
    - Lot Size
    - Adjusted Sales Price
    - Other Major Characteristics
- While bracketing is not a guideline, it is a best practice.
    - It provides a more accurate picture of the value of the subject.
    - The range or spread between the properties is tightened, because there are both upward and downward adjustments in each field.
    - A subject compared to all more expensive properties can result in an inflated value conclusion.
    - Bracketing size and actual age helps support that the home conforms to the neighborhood and is marketable.

Size (GLA) and Bedroom Count

- The appraiser should provide comparables that are similar in size to the subject.
- Differences in square footage of 100 sq or less are commonly not adjusted, unless the subject/comps have smaller living area, such as being smaller than 1,500 square feet.
- If the subject is a two bedroom home, the appraiser MUST provide at least one or more comparables with two bedrooms.
    - There may be a significant difference in market appeal between two and three bedroom homes.
    - It is common to see appraisers compare three and four bedroom homes.
        - In many areas, there is no significant market reaction between three and four bedroom layout utility.

Declining Markets

- Detailed comments from the appraiser are required if the appraiser cannot provide recent closed sales for comparables.
    - Check applicable guidelines for timeframe, which may be as few as three months.
- Many lenders require a minimum of one, and preferably two, listing(s) and/or pending sales.
- Days on market must be reported for the subject and all comparable sales, per the UAD requirements.
- Downward market adjustments (time) adjustments may be necessary for the comparables if older comparables are provided and the market conditions have deteriorated.
    - See the Value Adjustments section of this manual for additional information about Time Adjustments.

Photographs and Resources

- Review the subject and comp pictures looking for similarities.
    - Photographs should capture all mentioned updates, remodels and repairs.
- Use outside resources to confirm information.
    - http://www.realtor.com provides information about listings (subject) and recent sales (comps) for most of the country.
    - Most map sites allow access to aerial pictures. (MapQuest, Google Earth)
    - http://www.city-data.com provides neighborhood characteristics information.
    - Local real estate tax records and school district maps help you understand neighborhoods.

Analyzing the Sales Comparison Grid

This section provides information about reading the Sales Comparison grid; evaluating value adjustments and Uniform Appraisal Dataset (UAD) impacted fields.

- Sales Comparison Grid Reading Basics
  - o Including How and Why Adjustments are Made
- Field-by-Field review of the grid
  - o Non-Value Adjustment Fields
  - o Value Adjustment Fields
  - o Best Practices for Analyzing Adjustments and UAD Requirements

SALES COMPARISON APPROACH

There are 5 comparable properties currently offered for sale in the subject neighborhood ranging in price from $ 180,000 to $ 229,000

There are 4 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from $ 201,000 to $ 220,000

FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address	XXXX Oriole Drive Durham, NC 27701	23XX Oriole Dr Durham, NC 27707		39XX Hope Valley Rd Durham, NC 27707		39XX Hope Valley Rd Durham, NC 27707	
Proximity to Subject		0.17 miles W		0.15 miles SE		0.15 miles S	
Sale Price	$ 218,000		$ 223,000		$ 220,000		$ 215,000
Sale Price/Gross Liv. Area	$ 97.15 sq.ft.	$ 111.72 sq.ft.		$ 102.04 sq.ft.		$ 95.56 sq.ft.	
Data Source(s)		TMLS 12445;DOM 90		TMLS 156780;DOM 95		TMLS 14599;DOM 98	
Verification Source(s)		Durham County Assessor		Durham County Assessor		Durham County Assessor	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment
Sales or Financing Concessions		ArmLth Conv;5000	-5,000	ArmLth Conv;1000	-1,000	ArmLth Conv;0	
Date of Sale/Time		s02/16;c01/16	0	s02/16;c01/16	0	s12/15;c11/15	0
Location	N;Res;	N;Res;		N;Res;		N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	20000 sf	20038 sf	0	21562 sf	0	20000 sf	
View	N;Res;	N;Res;		N;Res;		N;Res;	
Design (Style)	DT1;Ranch	DT1;Ranch		DT1;Ranch		DT1;Ranch	
Quality of Construction	Q4	Q4		Q4		Q4	
Actual Age	51	50	0	45	0	56	0
Condition	C4	C3	-8,000	C4		C4	
Above Grade	Total / Bdrms. / Baths	Total / Bdrms. / Baths		Total / Bdrms. / Baths		Total / Bdrms. / Baths	
Room Count	7 / 3 / 2.5	7 / 3 / 2.0	+3,000	7 / 3 / 2.5		7 / 3 / 2.5	
Gross Living Area	2,244 sq.ft.	1,996 sq.ft.	+7,400	2,156 sq.ft.	+2,600	2,250 sq.ft.	-200
Basement & Finished Rooms Below Grade	936sf468sf 1rr1br1.0ba0o	936sf468sf 1rr1br1.0ba0o		936sf468sf 1rr1br1.0ba0o		936sf468sf 1rr1br1.0ba0o	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	Central Air	Central Air		Central Air		Central Air	
Energy Efficient Items	None	None		None		None	
Garage/Carport	2ga2dw	2ga2dw		2ga2dw		2ga2dw	
Porch/Patio/Deck	Patio	Patio		Patio		Patio	
Fireplace	Brick	Brick		Brick		Brick	
Net Adjustment (Total)		☐ + ☒ -	$ -2,600	☒ + ☐ -	$ 1,600	☐ + ☒ -	$ -200
Adjusted Sale Price of Comparables		Net Adj. 1.2 % Gross Adj. 10.5 %	$ 220,400	Net Adj. 0.7 % Gross Adj. 1.6 %	$ 221,600	Net Adj. 0.1 % Gross Adj. 0.1 %	$ 214,800

Sales Comparison Grid Basics

There are 6 comparable properties currently offered for sale in the subject neighborho
There are 4 comparable sales in the subject neighborhood within the past twelve mont

FEATURE	SUBJECT	COMPARABLE SALE # 1	
Address	XXXX Oriole Drive Durham, NC 27701	23XX Oriole Dr Durham, NC 27707	
Proximity to Subject		0.17 miles W	
Sale Price	$ 218,000		$ 223,000
Sale Price/Gross Liv. Area	$ 97.15 sq.ft.	$ 111.72 sq.ft.	
Data Source(s)		TMLS 12445;DOM 90	
Verification Source(s)		Durham County Assessor	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjustment
Sales or Financing Concessions		ArmLth Conv;5000	-5,000
Date of Sale/Time		s02/16;c01/16	0
Location	N;Res;	N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple	
Site	20000 sf	20038 sf	0
View	N;Res;	N;Res;	
Design (Style)	DT1;Ranch	DT1;Ranch	
Quality of Construction	Q4	Q4	
Actual Age	51	50	0
Condition	C4	C3	-8,000
Above Grade Room Count	Total 7, Bdrms. 3, Baths 2.5	Total 7, Bdrms. 3, Baths 2.0	+3,000
Gross Living Area	2,244 sq.ft.	1,996 sq.ft.	+7,400
Basement & Finished Rooms Below Grade	936sf468sf 1rr1br1.0ba0o	936sf468sf 1rr1br1.0ba0o	
Functional Utility	Average	Average	
Heating/Cooling	Central Air	Central Air	
Energy Efficient Items	None	None	
Garage/Carport	2ga2dw	2ga2dw	
Porch/Patio/Deck	Patio	Patio	
Fireplace	Brick	Brick	
Net Adjustment (Total)		☐ + ☒ -	$ -2,600
Adjusted Sale Price of Comparables		Net Adj. 1.2 % Gross Adj. 10.5 %	$ 220,400

SALES COMPARISON APPROACH

- Adjustments are based on the value a feature contributes to property.
  - Not on building cost.
  - These can differ by market area.
  - All adjustments must be supported, justified and explained by information in the appraiser's work file. In some cases, the appraiser should provide summary support for an adjustment in the appraisal report.
  - The adjustments must make sense.
- The appraiser adjusts at least three comps and analyzes the Adjusted Sales Prices in the Summary of Sales Comparison.
  - The appraiser provides written rational for arriving at the Indicated Value for the subject property.
  - The written rational must make sense and be justified.
  - The Indicated Value is not calculated by taking the average of the Adjusted Sales Prices.

Non-Value Adjustment, or Identifier, Fields

- Address
  - Ensure the subject's address matches the application.
  - Addresses of existing homes can be confirmed using the Zip Code Finder at http://www.usps.com.
- Proximity to Subject
  - The distance, in miles, per two decimal points, and direction are reported.
  - Distances are measured "as the crow flies."
  - Directions are measured from the subject to the comparable.
- Sale Price
  - For purchase transactions, the subject's contract price is reported.
  - For refinances, the subject's field is left blank.
  - For closed sale comparables, the sales price is reported.
  - For listing and pending sale comps, the offering or contract price is reported.
  - Whole number dollar amounts are used.
- Price per Gross Living Area (P/GLA)
  - Also called Price per Square Foot.
  - This can help a reviewer gauge whether the subject and comparables are similar properties.
    - When the subject and a comp differ by more than 10%, it can be an indicator that the properties are dissimilar.
    - Unexplained differences (in other words, differences that cannot easily be discerned by looking at the sales comparison grid and make sense) may indicate superior building supplies and quality.
- Data and Verification Sources
  - The **Data Source** reports where the appraiser obtained the data used for the appraisal.
  - The **Verification Source** is where the appraiser verified the data is correct.
  - Examples of acceptable data sources include Multiple Listings Service (MLS), deed records, tax records, Realtors®, builders, appraisers, appraiser's files and the Internet.
    - The appraiser must specifically state the data source.
    - Broad categories, such as "public records" are not acceptable.
    - The data source must be reliable for the area in which the property is located.

  - Acceptable "Verification Sources" include the buyer, seller, listing agent, selling agent and closing documents in certain situations.
  - When comparable sales data is provided by parties that have a financial interest in either the sale or financing of the subject property, the appraiser must verify the data with a party that has no financial interest in the subject transaction.
    - Example: If the data comes from the real estate agent, the Verification Source should not be the seller.
  - The Days on Market (DOM) must be provided for each comp, no matter the source of the data.
  - If an MLS is used for the data or verification source, the specific MLS needs to be identified and the listing number reported.

Value Adjustment Fields – Adjustment Overview

Across the Board, or Across the Line, Adjustments

- The subject has a feature and the comps do NOT or vice versa!
- Typically these are seen with swimming pools, basements, outbuildings or storage sheds.
  - Just a few examples but keep in mind, each market is different.
- These types of adjustments are problematic because you don't know if the market really will pay for this feature without a comparable that has it.
- You also don't know how much value this feature adds, if any.
- Request the appraiser provide an older or distant comparable that has the feature.
  - This helps demonstrate the market will pay and accepts this amenity.

Field Specific Adjustments and Guidelines

Sales and Financing Concessions

- See the following additional resources:
  - Fannie Mae Selling Guide §B4-1.3-09, Adjustments to Comparable Sales.
  - Freddie Mac Single-Family Seller/Servicer Guide §5601.12(f).
  - See Fannie Mae and Freddie Mac Uniform Appraisal Dataset Specification, Field-Specific Standardization Requirements (Appendix D), Sales Comparison Approach Section.

- For each comp, the first line reports the sales type.
  - Sales types are REO Sale, Short Sale, Court Ordered Sale, Estate Sale, Relocation Sale, Non Arms-Length Sale, Arms-Length Sale and Listing.
  - If more than one applies, the appraiser reports the type that appears first on the list.
  - Different sale types may impact sales price and market value differently.

SALE TYPE
REO sale
Short sale
Court ordered sale
Estate sale
Relocation sale
Non-arms length sale
Arms length sale

- For each comp, the second line reports the financing type and amount of any concessions.
  - Possible financing types are FHA, VA, Conventional, Seller, Cash, USDA-Rural Housing or Other.
  - If" Other" financing is reported, the appraiser must explain.
  - Be on the lookout for below-market financing, which can have an impact on the sales price and market value.

Financing Concessions, Sales Concessions and Interested Party Contributions

- When Concessions are present within the transaction, evaluate the concessions and determine the type.
- The appraiser should adjust for the impact, if any, on the sales price as a result of the seller paid concessions.
- Fannie Mae has clarified that appraisers may use dollar for dollar adjustments for financing or sales concessions when such an adjustment approximates the local market's response to these types of concessions.
- **Financing Concessions**
  - Are they within the limits based on LTV & Occupancy Type?
  - Is an adjustment required or at a minimum is a narrative included?
  - Has the sales price been inflated by the inclusion of concessions?
    - In general, seller paid concessions will impact the sales price, and in many cases on a near dollar-for-dollar basis.
    - If seller paid concessions are present on a comparable sale but are not adjusted, the appraisal should provide logical support for the lack of adjustment.
  - Even if a seller paid concession is common for the market, it is not appropriate to exclude an adjustment on that basis alone.
- **Sales Concessions**
  - Have the non-realty items been deducted from the sale price & the LTV recalculated?
  - Have the excessive financing concessions been deducted from the sale price?
- **Interested Party Contributions (IPC)**
  - Fannie Mae considers the following financing/ sales concessions IPCs:
    - Funds that are paid directly from the interested party to the borrower;
    - Funds that flow from an interested party through a third-party organization, including nonprofit entities, to the borrower;
    - Funds that flow to the transaction on the borrower's behalf from an interested party, including a third-party organization or nonprofit agency; and
    - Funds are donated to a third party, which then provides the money to pay some or all of the closing costs for a specific transaction.

- If the subject property or any comps are located in new projects, a simple Internet search (Yahoo!, Google, etc.) can help identify concessions being offered to purchasers.
  - Ex: Builder advertisements, real estate listings.
- Payment abatements of any kind are prohibited, except for certain condominium dues that must be included as interested party contributions.

Date of Sale/Time

- The status of each comp is reported.
  - Possible status types are Active, Contract, Expired, Withdrawn or Settled Sale.
- The settlement date should be reported, followed by the contract date, if known.
  - Otherwise, the date of listing withdrawal or expiration should be reported.
  - If contract date unknown, "Unk" reported.
  - See Appendix D for specific reporting format.
- Market condition adjustments may be warranted if the market has changed significantly since the contract date of the comparable sale.
  - Appraiser explanation is required.
  - The adjustment is measured from the date of the comp's contract, not closing date.

Location

- The appraisal reports the impact on value for the location (rating), and identifies the one or two most influential location characteristics (factors).
  - The location's impact can be Neutral (N), Beneficial (B) or Adverse (A).
  - The factors explain what influences the value impact.
  - See Appendix D for location factor abbreviations.
- Value adjustments may be warranted when otherwise similar properties have different types of locations.

ABBREVIATED ENTRY	LOCATION FACTOR
Res	Residential
Ind	Industrial
Comm	Commercial
BsyRd	Busy Road
WtrFr	Water Front
GlfCse	Golf Course
AdjPrk	Adjacent to Park
AdjPwr	Adjacent to Power Lines
Lndfl	Landfill
PubTrn	Public Transportation
See Instruction Below	Other – Appraiser to enter a description of the location*

Site

- The site/parcel size is reported.
    - Less than one acre is reported in square feet.
    - One acre and larger is reported in acreage, to two decimal points.
- The entire site must be appraised; partial sites are unacceptable for loans sold to the GSEs.
- The subject and comps should have similarly sized lots.
- Any adjustments for lot value differences should be:
    - Consistent with the lot's value shown in the Cost Approach Section of the appraisal.
    - Supported with market data.

View

- The appraisal reports the impact on value for the view (rating), and identifies the one or two most influential view characteristics (factors).
    - The view's impact can be Neutral (N), Beneficial (B) or Adverse (A).
    - The factors explain what influences the value impact.
    - See Appendix D for view factor abbreviations.
- Value adjustments may be warranted when otherwise similar properties have different types of locations.

ABBREVIATED ENTRY	VIEW FACTOR
Wtr	Water View
Pstrl	Pastoral View
Woods	Woods View
Prk	Park View
Glfvw	Golf Course View
CtySky	City View Skyline View
Mtn	Mountain View
Res	Residential View
CtyStr	City Street View
Ind	Industrial View
PwrLn	Power Lines
LtdSght	Limited Sight
See Instruction Below	Other – Appraiser to enter a description of the view*

- See the Location section of this manual for addition explanation.

Design (Style)

- Attachment type
    - Attached (AT); Detached (DT); Semi-detached (SD)
- Number of stories
- The architectural design/style descriptor is reported.
    - Mid-Century Modern, Craftsman Bungalow, Ranch, Cape Cod, etc.
- Non-architectural descriptors, such as "average" or "brick" are unacceptable.
    - An appraisal which includes an adjustment for design/style should also contain sufficient explanation regarding the basis for the adjustment.

Quality of Construction

- A quality rating is reported for the subject and each comp.
- See Appendix D for more complete definitions.
    - **Q1**: Unique, architecturally significant structures.
    - **Q2**: Custom design for individual properties.
    - **Q3**: Higher quality, above-standard tract developments.
    - **Q4**: Meet or exceed applicable building codes.
    - **Q5**: Economy of construction, basic functionality.
    - **Q6**: Basic quality, lower cost.
- The quality rankings should be reviewed to ensure they make sense.
    - Compare the rating to the photos provided to the descriptions found in Appendix D.
    - Read all comments provided.
    - Do any value adjustments made for quality make sense?
    - If there is no adjustment for a subject and comp of different quality, has the appraiser provided reasoning for the lack of adjustment?

Actual Age

- Reported for the subject and comps, to three digits.
- If the actual age is unknown, the estimated age is reported with the tilde (~) sign.
- Look for the comps ages to bracket the subject.
    - An unbracketed subject may be a unique home for that market.
    - Any adjustments should be fully explained.
    - Be sure, if there are adjustments here, that the same characteristic is not being adjusted in the condition field, too.

Condition

- A quality ranking is reported for the subject and each comp
- See Appendix D for more complete definitions
    - **C1**: New properties
    - **C2**: No deferred maintenance, little or no physical depreciation and recent updates
    - **C3**: Well maintained, with normal wear and tear and, perhaps, some updated features
    - **C4**: Minor deferred maintenance requiring only minimal repairs
    - **C5**: In need of significant repairs
        - Some investors will not accept C5; check guidelines
    - **C6**: Substantial damages or significant need for major repairs
        - This rating includes properties with conditions affecting safety, soundness or structural integrity
        - Properties with these issues must be appraised "subject-to" needed repairs
        - Those repairs must be completed prior to delivery to the GSE
- **Important Note**: The subject's condition rating is reported on the first page of the appraisal and auto-populates into the sales comparison section
    - Look to see if the condition rating is subject to repair or the present condition

Above Grade Room Count (Bedrooms, Bathrooms) and Gross Living Area

- Total Rooms and Bedrooms are reported as whole numbers
- Bath(s) are reported with two numbers to the left and two to the right of a decimal point
    - The first two numbers are full and three-quarter baths
    - The second two numbers are half baths
    - Example: 2.1 are two full or three-quarter baths and one half bath
- Gross Living Area (GLA)
    - Look for similar square foot adjustments on all comps
    - It is common for an appraisal not to include an adjustment for gross living area when the difference in size is less than 100 square feet
        - However, on a smaller dwelling (e.g. less than 1,200 square feet), an adjustment might be included on differences less than 100 square feet

Basement

- The first line of the basement field reports the total square footage, the finished square footage and the access.
  - Example: The sample appraisal subject shows "1200sf600sfwo" meaning there is a total of 1,200 sq/ft of basement, of which 600 sq/ft are finished, and there is walk-out access to the outside.
  - Possible basement access types are walk-out (wo), walk-up (wu) and interior only (in).
- The second line of the basement field reports the number of rooms by type of finished rooms.
  - Example: The sample appraisal shows "3rr1br1.1ba0o" meaning there are three recreation rooms, one bedroom, one full bath, one half bath, and no other rooms.
- Areas that are fully or partially below grade (finished or unfinished) should not be included in the above grade living are calculations.
  - See Fannie Mae Selling Guide §§B4-1.3-05 for additional information.
- Be sure value given to basement space and finished versus unfinished basement makes sense and that any value adjustments for basement room count make sense.

Other Value Adjustment Fields

- **Functional Utility**
  - If adjusted, the appraiser must explain.

- **Heating/Cooling, Energy Efficient Items, Garage/Carport, Porch/Patio/Deck and Fireplace**
  - Review any adjustments to be sure they make sense and are consistently applied within each comp.
  - Check the subject and comp pictures to ensure features that should be observable are there.

- **Other**
  - If there are features or characteristics not reportable in the pre-printed fields, the appraisal may show them in the blank boxes below the "Fireplace" field.
  - Examples: Swimming Pools, Barns, Accessory Units.
  - Look for at least one comp that shares the "Other" item to ensure it is acceptable and marketable in the subject's area.
  - Any adjustments on these lines must make sense and include an explanation of what they are for and how they were calculated.

Previous Sale and Transfer 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) Triangle MLS & Realquest

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) Triangle MLS & Realquest

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	05/29/2014			
Price of Prior Sale/Transfer	$213,000			
Data Source(s)	Triangle MLS & Realquest	Triangle MLS & Realquest	Triangle MLS & Realquest	Triangle MLS & Realquest
Effective Date of Data Source(s)	04/15/2016	09/15/2015	09/15/2015	09/15/2015

Analysis of prior sale or transfer history of the subject property and comparable sales The subject last sold on 5/29/2014 for $213,000. This appeared to be a market transaction with reasonable exposure to the open market. The comparable sales have not sold or transferred in the past 3 years.

Sale or Transfer History

- The appraisal reports the previous sale and transfer history for the subject and each comp.
  - Three years for the subject.
  - One year for each comp.
- The previous sale and transfer history can help the reviewer determine:
  - If the property might be a "flip" or previously been "flipped."
  - If the property is possibly in a declining market.
  - If any repairs or improvements must be documented to explain increases in value.
  - If the subject may have been purchased a t below market value.
    - Foreclosures, non arms-length transactions or divorce situations.
- The Uniform Standards of Professional Appraisal Practice (USPAP) and the GSEs require the analysis and reporting of a three year sale history for the subject.
- In addition, the GSEs specifically require the analysis and reporting of a one year sale history for each comparable property.

Summary of/Indicated Value by Sales Comparison

Summary of Sales Comparison Approach	All three sales offer good value measure for the subject property and represent recent market competition.
All three sales offer similar quality of construction, design appeal, and amenities. Sales 1 and 2 are given the most weight due to their overall	
similarity and similar overall condition. Sale 3 offers additional support. It is a slightly larger home that has received updates to the bathroom and	
new interior paint and floor coverings. All three sales are located on the subject street and offer similar location and view appeal.	
Indicated Value by Sales Comparison Approach $	218,000

Summary of Sales Comparison Approach

- The appraiser discusses how he/she weighted each comparable and arrived at the indicated value.
- The arrived at conclusion should be:
    - Consistent with the data provided in the report.
    - All comments provided by the appraiser.
    - All data sources used to verify the report.

Indicated Value by Sales Comparison Approach

- Should be supported by everything on the appraisal.

Reconciliation

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 218,000 Cost Approach (if developed) $ 219,523 Income Approach (if developed) $ 216,000

The sales comparison approach is given the most weight in the analysis since it emulates buyer decisions and there is sufficient and reliable data. The cost approach offers additional support but is given less weight due to the age of the home and the difficulty accurately estimating accrued depreciation. The income approach offers additional support but is given minimal weight due to the paucity of rental data.

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: The appraisal is completed as-is.

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 $ 218,000 , as of 04/22/2016 , which is the date of inspection and the effective date of this appraisal.

The Appraisal is Made "As Is"

- If any other box is checked, the appraiser or a subject matter expert will have to inspect the property after work is completed.

Last Line

- Appraised Value
- Appraisal Date
  - Inspection Date
  - Good for twelve months
    - If more than four months old on note date, appraiser must provide Appraisal Update and/or Completion Report (Form 1004D).

Comments

ADDITIONAL COMMENTS

Read the Comments Section Carefully

- If the appraiser takes the time to write comments, the reviewer needs to take the time to read the comments.
- Look for anything impacting value, structural integrity and/or marketability.
- Not everything that could impact the value fits nicely or neatly into a checkbox or data field.

Cost Approach

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) The site value was obtained from an analysis of six vacant site sales that have occurred in the area in the past 24 months. The sale prices range from $40,000 to $55,000 for parcel sizes of 18000 square feet to 31000 square feet.

COST APPROACH						
ESTIMATED ☐ REPRODUCTION OR ☒ REPLACEMENT COST NEW	OPINION OF SITE VALUE				=$	45,000
Source of cost data Big Box Residential Cost Handbook	DWELLING	2,244 Sq.Ft. @ $		85.00	=$	190,740
Quality rating from cost service Average Effective date of cost data 3/1/2016		936 Sq.Ft. @ $		32.00	=$	29,952
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Deck & Fireplace				=$	9,000
Accrued depreciation estimated using the economic age/life method.	Garage/Carport	488 Sq.Ft. @ $		35.00	=$	17,080
Square foot measurements were obtained by personal measurement.	Total Estimate of Cost-New				=$	246,772
	Less	Physical	Functional	External		
	Depreciation	82,249			=$(	82,249)
	Depreciated Cost of Improvements				=$	164,523
	"As-is" Value of Site Improvements				=$	10,000
Estimated Remaining Economic Life (HUD and VA only) 40 Years	INDICATED VALUE BY COST APPROACH				=$	219,523

Cost Approach values the property by calculating the cost to build the property.

- Not required by Fannie Mae.
    - Is required for new construction and manufactured homes.
- Not required by Freddie Mac for attached, PUD or Condominium Units.
    - Is required for manufactured homes. .
    - The appraiser must develop and report the result of any approach to value that is applicable and necessary for an appraisal, even if the Seller did not request it.
    - The approach may be appropriate especially when appraising properties that are:
        - New or proposed construction
        - Under renovation
        - Unique because of their styles or construction methods, or
        - Have functional obsolescence not typical for the market
- **Reproduction:** Reflects the cost to reproduce the property with the original quality and using materials, construction practices and functional utility that matches the current structure.
- **Replacement Cost New:** Reflects the cost to replace the structure with similar quality and using modern materials, construction practices, and functional utility.
- The appraiser uses resources like Marshall & Swift Residential Cost Handbook, as well as the appraiser's own knowledge, to estimate materials costs.

Income Approach

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)					
Estimated Monthly Market Rent $	1600	X Gross Rent Multiplier	135	= $ 216,000	Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) The rental figures were obtained from a review of current rent offerings and actual rents of properties competing with the subject. There were six rental comps with rents ranging from $1,500 to $1,700.

- **Opinion of Site Value**
    - Excessive site value, as a percentage of the appraised value, may indicate a lot loan is necessary, instead of a residential mortgage.

Values the property based on rent that could be received.

- Typically not required to be completed unless it is a valid approach to value in the subject's market.

Project Information for PUDs

	PROJECT INFORMATION FOR PUDs (if applicable)
PUD INFORMATION	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

First line is completed if the property is located in a Planned Unit Development (PUD)

- The rest of the section is only completed if:
  - The developer/builder is in control of the HOA, and
  - The units are attached.
- Even if the rest of the section is not completed, check for guideline restrictions if the developer/builder is in control of the HOA.
- If the section is completed, verify project compliance with specific investor guidelines.
- If applicable, check for lender/investor/GSE project approval.

Statement of Assumptions and Limiting Conditions

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.

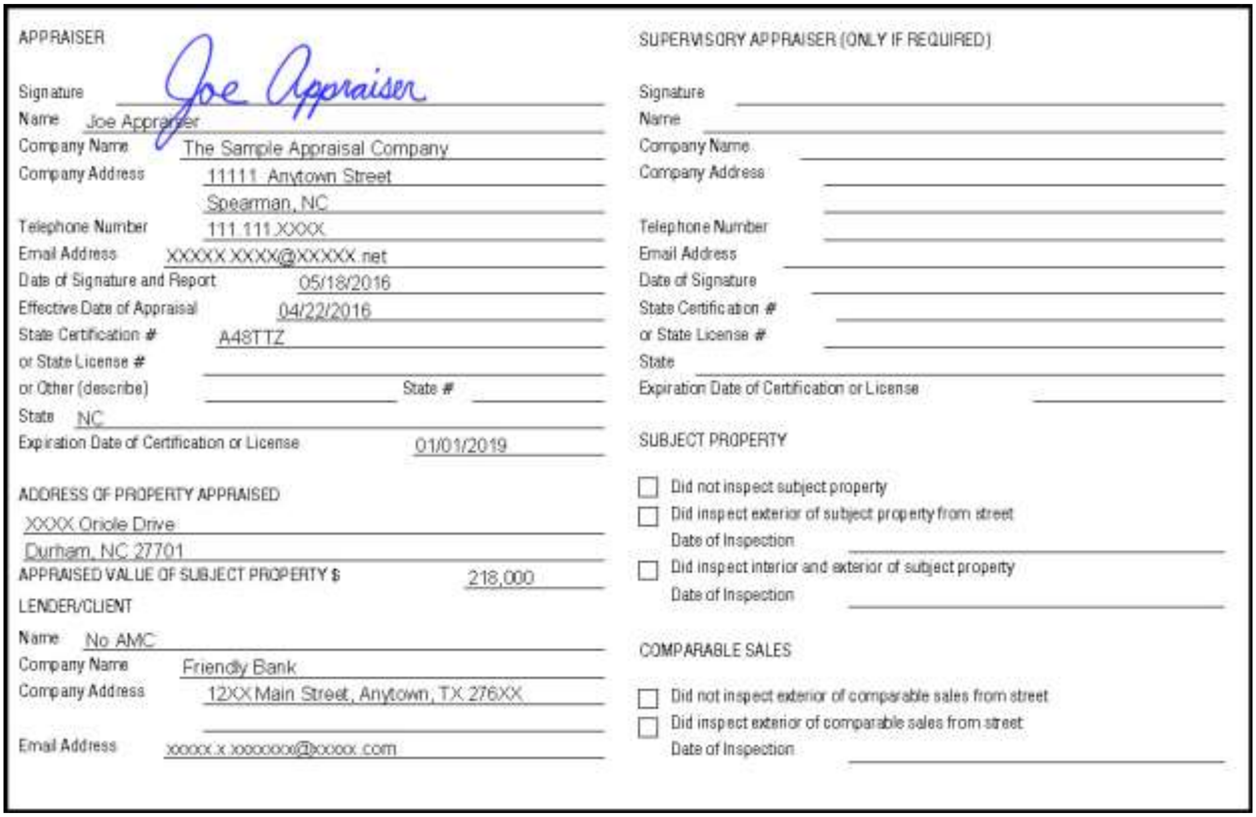
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not 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 the 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/Supervisory Appraiser Signatures



APPRAISER		SUPERVISORY APPRAISER (ONLY IF REQUIRED)	
Signature	Joe Appraiser	Signature	
Name	Joe Appraiser	Name	
Company Name	The Sample Appraisal Company	Company Name	
Company Address	11111 Anytown Street	Company Address	
	Spearman, NC		
Telephone Number	111.111.XXXX	Telephone Number	
Email Address	XXXXX.XXXX@XXXXX.net	Email Address	
Date of Signature and Report	05/18/2016	Date of Signature	
Effective Date of Appraisal	04/22/2016	State Certification #	
State Certification #	A48TTZ	or State License #	
or State License #		State	
or Other (describe)	State #	Expiration Date of Certification or License	
State	NC		
Expiration Date of Certification or License	01/01/2019		

ADDRESS OF PROPERTY APPRAISED

XXXX Oriole Drive

Durham, NC 27701

APPRAISED VALUE OF SUBJECT PROPERTY $ 218,000

LENDER/CLIENT

Name No AMC

Company Name Friendly Bank

Company Address 12XX Main Street, Anytown, TX 276XX

Email Address xxxxx.x.xxxxxxx@xxxxx.com

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

Be sure Appraiser completed the signature section.

- Compare this information to the copy of the Appraiser's license included with the appraisal.
- You can check if the appraiser's license is valid on the Appraisal Subcommittee Website:
  - https://www.asc.gov/National-Registry/FindAnAppraiser.aspx

Supervisory Appraiser

- When an appraiser is a trainee, a supervisory appraiser must review and sign off on the appraisal.
- The supervisory appraiser does not need to actually inspect the property unless required by local law or a specific guideline.
  - Ex: Guidelines often require the supervisory appraiser to inspect the property if the subject is a Unique Property or the transaction is a Jumbo Loan.

Some Appraisal Red Flags Commonly Noted by Underwriters

See the Genworth Appraisal Review Checklist or the 2-4 Unit Appraisal Review Checklist for Additional Guidance

- Choosing dated comps, in the absence of sufficient explanation, particularly when there are more recent comps available.
- Not relying upon the indicated value from the most similar comparable property.
    - Closest.
    - Most recent sale.
    - Most similar property.
- Indicated value outside the predominant range for the neighborhood.
- High land to value percentage without explanation.
- Photos show a feature/situation not reflected in the appraisal.
    - Major Farm structures or livestock may evidence farm use.
    - Appraisers should explain unusual circumstances and confirm that the land is used solely residentially.
- Gross adjustments in excess of 25% of the original sales price on several comps without sufficient explanation and justification.
- Not identifying an area as declining when credible evidence suggests a decline.
- Lack of bracketing for price, age and/or square footage.
- Lack of comments from the appraiser relating to the property, comps, market or trends in the area.
- Boilerplate appraiser statements, such as "best comps" were selected or "there are no additional comps available."

Sales Comparison Considerations: Underwriting Loans for Genworth MI Coverage

- Genworth Appraisal Guidelines can be found online, at https://new.mi.genworth.com/guidelines, under the "Underwriting and Guides" tab.
- "Value Not Supported by Comparables" has been cited on Genworth's "Delegated Underwriting MI Decision Tips" as a common underwriting issue.
- Genworth follows Agency Appraisal Standards and Uniform Standards of Professional Appraisal Practice (USPAP) guidelines.
- When Genworth's underwriting manual is "silent" and does not address a guideline, the lender must follow Agency Standard guidelines.
    - See the "Delegated MI Underwriting Decision Tips" flier for additional information.

Resources

The full sample appraisal used in this manual for XXX Oriole Drive can be found starting on the next page.

APPRAISAL OF REAL PROPERTY

LOCATED AT

XXXX Oriole Drive
Durham, NC 27701
Block 5, Lot A at Anytown Estates

FOR

Friendly Bank
12XX Main Street, Anytown, TX 276XX

OPINION OF VALUE

218,000

AS OF

04/22/2016

BY

Joe Appraiser
The Sample Appraisal Company

111.111.XXXX
XXXXX.XXXX@XXXXX.net

Uniform Residential Appraisal Report

File # Sample Appraisal

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 XXXX Oriole Drive | City Durham | State NC | Zip Code 27701
Borrower Bob Smith & Jill Smith | Owner of Public Record Jane Doe | County Durham
Legal Description Block 5, Lot A at Anytown Estates
Assessor's Parcel # 12x-25A-4356-7811-XX | Tax Year 2015 | R.E. Taxes $ 2,860
Neighborhood Name Anytown Estates | Map Reference 20500 | Census Tract 0022.00
Occupant [X] Owner [ ] Tenant [ ] Vacant | Special Assessments $ 0 | [ ] PUD | HOA $ 0 [ ] per year [ ] per month
Property Rights Appraised [X] Fee Simple [ ] Leasehold [ ] Other (describe)
Assignment Type [X] Purchase Transaction [ ] Refinance Transaction [ ] Other (describe)
Lender/Client Friendly Bank | Address 12XX Main Street, Anytown, TX 276XX
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? [X] Yes [ ] No
Report data source(s) used, offering price(s), and date(s). DOM 58;Listed for $225,000 since 6/15/2015 in the TMLS (MLS 12345678).

CONTRACT

I [X] 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. Arms length sale;The purchase agreement has no unusual conditions or seller concessions. The property was exposed to the market for a reasonable amount of time. No personal property was included in the purchase agreement.
Contract Price $ 218,000 | Date of Contract 03/02/2016 | Is the property seller the owner of public record? [X] Yes [ ] No | Data Source(s) Durham Assessor
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 [X] No
If Yes, report the total dollar amount and describe the items to be paid. $0;;No seller concessions or other financial assistance is reported.

NEIGHBORHOOD

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	[X] Urban	[ ] Suburban	[ ] Rural	Property Values	[ ] Increasing	[X] Stable	[ ] Declining	PRICE $(000)		AGE (yrs)	One-Unit	100 %
Built-Up	[ ] Over 75%	[X] 25-75%	[ ] Under 25%	Demand/Supply	[X] Shortage	[ ] In Balance	[ ] Over Supply	195	Low	30	2-4 Unit	%
Growth	[ ] Rapid	[X] Stable	[ ] Slow	Marketing Time	[ ] Under 3 mths	[X] 3-6 mths	[ ] Over 6 mths	300	High	60	Multi-Family	%
								215	Pred.	25	Commercial	%
											Other	%

Neighborhood Boundaries The neighborhood boundaries are generally considered Topeka Street to the North, Durham-Chapel Hill to the South, University Drive to the East, and Chapel-Hill Rd to the West.
Neighborhood Description The subject is located in Durham, NC offering local employment, schools, and shopping. Durham is located in an urban county with suburban areas surrounding the city. The subject neighborhood is comprised of average quality ranch and split level style homes that were constructed by Aspen Building. The neighborhood is fully developed and is comprised exclusively of single family dwellings.
Market Conditions (including support for the above conclusions) Market conditions are generally stable with median property values of $215,000 and a stable trend showing moderate seasonal fluxuation. Local employment is available and the unemployment rate is 4.5% with a historical range of 4% to 6%. Demand for housing is good and some new housing and commercial/retail is being built throughout the town.

SITE

Dimensions 100x200 | Area 20000 sf | Shape Rectangular | View N;Res;
Specific Zoning Classification RS_IM/1-Family | Zoning Description Residential Single Family
Zoning Compliance [X] Legal [ ] Legal Nonconforming (Grandfathered Use) [ ] No Zoning [ ] Illegal (describe)
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? [X] Yes [ ] No If No, describe The current use represents the highest and best use. It is legally permissible, physically possible, financially feasible and maximally productive.

Utilities	Public	Other (describe)		Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	[X]	[ ]	Water	[X]	[ ] Durham City	Street Asphalt	[X]	[ ]
Gas	[ ]	[X]	Sanitary Sewer	[X]	[ ]	Alley None	[ ]	[ ]

FEMA Special Flood Hazard Area [ ] Yes [X] No | FEMA Flood Zone X | FEMA Map # 37063C0821K | FEMA Map Date 08/02/2007
Are the utilities and off-site improvements typical for the market area? [X] Yes [ ] No If No, describe
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? [ ] Yes [X] No If Yes, describe
There are no known adverse site conditions. The subject is located on a generally level city lot with residential views. The subject is located on a side street with minimal traffic activity.

IMPROVEMENTS

General Description	Foundation	Exterior Description materials/condition	Interior materials/condition
Units [X] One [ ] One with Accessory Unit	[ ] Concrete Slab [X] Crawl Space	Foundation Walls Cinder Block	Floors Carpet&Vinyl/Avg
# of Stories 1	[ ] Full Basement [ ] Partial Basement	Exterior Walls Brick/Wd/Alm Siding	Walls Drywall/Avg
Type [X] Det. [ ] Att. [ ] S-Det./End Unit	Basement Area 936 sq.ft.	Roof Surface Asphalt Shingle	Trim/Finish Pine/Avg
[X] Existing [ ] Proposed [ ] Under Const.	Basement Finish 50 %	Gutters & Downspouts Aluminum	Bath Floor Vinyl/Avg
Design (Style) Ranch	[ ] Outside Entry/Exit [ ] Sump Pump	Window Type Viny Double Hung	Bath Wainscot Fiberglass/Avg
Year Built 1965	Evidence of [ ] Infestation	Storm Sash/Insulated None	Car Storage [X] None
Effective Age (Yrs) 20	[X] Dampness [ ] Settlement	Screens Yes	[ ] Driveway # of Cars 2
Attic [ ] None	Heating [X] FWA [ ] HWBB [ ] Radiant	Amenities [X] Fireplace(s) # 1 [ ] Woodstove(s) # 0	Driveway Surface Concrete
[ ] Drop Stair [X] Stairs	[ ] Other Fuel Nat. Gas	[ ] Fence None	[ ] Garage # of Cars 2
[ ] Floor [ ] Scuttle	Cooling [ ] Central Air Conditioning	[ ] Patio/Deck Patio [ ] Porch None	[X] Carport # of Cars 0
[ ] Finished [ ] Heated	[X] Individual [ ] Other	[ ] Pool None [ ] Other None	[ ] Att. [ ] Det. [ ] Built-in

Appliances [ ] Refrigerator [X] Range/Oven [X] Dishwasher [ ] Disposal [ ] Microwave [ ] Washer/Dryer [ ] Other (describe)
Finished area above grade contains: 7 Rooms 3 Bedrooms 2.1 Bath(s) 2,244 Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc.). Patio, fireplace.
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C4;No updates in the prior 15 years;The subject is in average overall condition. No significant items of repair or deferred maintenance were noted. The hot water tank was reportedly replaced in 2014. There were some minor areas of soiled carpet and dated decor. The estimated cost to cure is <$1,500 and is considered typical of homes of this age in this area.
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? [ ] Yes [X] No If Yes, describe
None noted.
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? [X] Yes [ ] No If No, describe
The property generally conforms to the neighborhood in all respects.

There are 5 comparable properties currently offered for sale in the subject neighborhood ranging in price from $ 180,000 to $ 229,000 .

There are 4 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from $ 201,000 to $ 220,000 .

SALES COMPARISON APPROACH

FEATURE	SUBJECT		COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address	XXXX Oriole Drive Durham, NC 27701		23XX Oriole Dr Durham, NC 27707		39XX Hope Valley Rd Durham, NC 27707		39XX Hope Valley Rd Durham, NC 27707	
Proximity to Subject			0.17 miles W		0.15 miles SE		0.15 miles S	
Sale Price	$ 218,000			$ 223,000		$ 220,000		$ 215,000
Sale Price/Gross Liv. Area	$ 97.15 sq.ft.		$ 111.72 sq.ft.		$ 102.04 sq.ft.		$ 95.56 sq.ft.	
Data Source(s)			TMLS 12445;DOM 90		TMLS 156780;DOM 95		TMLS 14599;DOM 98	
Verification Source(s)			Durham County Assessor		Durham County Assessor		Durham County Assessor	
VALUE ADJUSTMENTS	DESCRIPTION		DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment
Sales or Financing Concessions			ArmLth Conv;5000	-5,000	ArmLth Conv;1000	-1,000	ArmLth Conv;0	
Date of Sale/Time			s02/16;c01/16	0	s02/16;c01/16	0	s12/15;c11/15	0
Location	N;Res;		N;Res;		N;Res;		N;Res;	
Leasehold/Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Site	20000 sf		20038 sf	0	21562 sf	0	20000 sf	
View	N;Res;		N;Res;		N;Res;		N;Res;	
Design (Style)	DT1;Ranch		DT1;Ranch		DT1;Ranch		DT1;Ranch	
Quality of Construction	Q4		Q4		Q4		Q4	
Actual Age	51		50	0	45	0	56	0
Condition	C4		C3	-8,000	C4		C4	
Above Grade Room Count (Total / Bdrms. / Baths)	7 / 3 / 2.1		7 / 3 / 2.0	+3,000	7 / 3 / 2.1		7 / 3 / 2.1	
Gross Living Area	2,244 sq.ft.		1,996 sq.ft.	+7,400	2,156 sq.ft.	+2,600	2,250 sq.ft.	-200
Basement & Finished Rooms Below Grade	936sf468sf 1rr1br1.0ba0o		936sf468sf 1rr1br1.0ba0o		936sf468sf 1rr1br1.0ba0o		936sf468sf 1rr1br1.0ba0o	
Functional Utility	Average		Average		Average		Average	
Heating/Cooling	Central Air		Central Air		Central Air		Central Air	
Energy Efficient Items	None		None		None		None	
Garage/Carport	2ga2dw		2ga2dw		2ga2dw		2ga2dw	
Porch/Patio/Deck	Patio		Patio		Patio		Patio	
Fireplace	Brick		Brick		Brick		Brick	
Net Adjustment (Total)			☐ + ☒ -	$ -2,600	☒ + ☐ -	$ 1,600	☐ + ☒ -	$ -200
Adjusted Sale Price of Comparables			Net Adj. 1.2 % Gross Adj. 10.5 %	$ 220,400	Net Adj. 0.7 % Gross Adj. 1.6 %	$ 221,600	Net Adj. 0.1 % Gross Adj. 0.1 %	$ 214,800

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) Triangle MLS & Realquest

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) Triangle MLS & Realquest

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	05/29/2014			
Price of Prior Sale/Transfer	$213,000			
Data Source(s)	Triangle MLS & Realquest	Triangle MLS & Realquest	Triangle MLS & Realquest	Triangle MLS & Realquest
Effective Date of Data Source(s)	04/15/2016	09/15/2015	09/15/2015	09/15/2015

Analysis of prior sale or transfer history of the subject property and comparable sales The subject last sold on 5/29/2014 for $213,000. This appeared to be a market transaction with reasonable exposure to the open market. The comparable sales have not sold or transferred in the past 3 years.

Summary of Sales Comparison Approach All three sales offer good value measure for the subject property and represent recent market competition. All three sales offer similar quality of construction, design appeal, and amenities. Sales 1 and 2 are given the most weight due to their overall similarity and similar overall condition. Sale 3 offers additional support. It is a slightly larger home that has received updates to the bathroom and new interior paint and floor coverings. All three sales are located on the subject street and offer similar location and view appeal.

Indicated Value by Sales Comparison Approach $ 218,000

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 218,000 **Cost Approach (if developed) $** 219,523 **Income Approach (if developed) $** 216,000

The sales comparison approach is given the most weight in the analysis since it emulates buyer decisions and there is sufficient and reliable data. The cost approach offers additional support but is given less weight due to the age of the home and the difficulty accurately estimating accrued depreciation. The income approach offers additional support but is given minimal weight due to the paucity of rental data.

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: The appraisal is completed as-is.

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 $ 218,000 **, as of** 04/22/2016 **, which is the date of inspection and the effective date of this appraisal.**

ADDITIONAL COMMENTS

The appraisal is completed as-is.

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) The site value was obtained from an analysis of six vacant site sales that have occurred in the area in the past 24 months. The sale prices range from $40,000 to $55,000 for parcel sizes of 18000 square feet to 31000 square feet.

ESTIMATED ☐ REPRODUCTION OR ☒ REPLACEMENT COST NEW

Source of cost data: Big Box Residential Cost Handbook

Quality rating from cost service: Average Effective date of cost data: 3/1/2016

Comments on Cost Approach (gross living area calculations, depreciation, etc.)

Accrued depreciation estimated using the economic age/life method.
Square foot measurements were obtained by personal measurement.

Estimated Remaining Economic Life (HUD and VA only) 40 Years

OPINION OF SITE VALUE				=$	45,000
DWELLING	2,244 Sq.Ft. @ $	85.00		=$	190,740
	936 Sq.Ft. @ $	32.00		=$	29,952
Deck & Fireplace				=$	9,000
Garage/Carport	488 Sq.Ft. @ $	35.00		=$	17,080
Total Estimate of Cost-New				=$	246,772
Less	Physical	Functional	External		
Depreciation	82,249			=$(	82,249)
Depreciated Cost of Improvements				=$	164,523
"As-is" Value of Site Improvements				=$	10,000
INDICATED VALUE BY COST APPROACH				=$	219,523

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent $ 1600 X Gross Rent Multiplier 135 = $ 216,000 Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) The rental figures were obtained from a review of current rent offerings and actual rents of properties competing with the subject. There were six rental comps with rents ranging from $1,500 to $1,700.

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 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

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 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 the 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.

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 Joe Appraiser

Company Name The Sample Appraisal Company

Company Address 11111 Anytown Street
Spearman, NC

Telephone Number 111.111.XXXX

Email Address XXXXX.XXXX@XXXXX.net

Date of Signature and Report 05/18/2016

Effective Date of Appraisal 04/22/2016

State Certification # A48TTZ

or State License #

or Other (describe) State #

State NC

Expiration Date of Certification or License 01/01/2019

ADDRESS OF PROPERTY APPRAISED

XXXX Oriole Drive
Durham, NC 27701

APPRAISED VALUE OF SUBJECT PROPERTY $ 218,000

LENDER/CLIENT

Name No AMC

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

Friendly Bank

12XX Main Street, Anytown, TX 276XX

xxxxx.x.xxxxxxx

@xxxxx.com

Did not inspect exterior of comparable sales from street

Did inspect exterior of comparable sales from street

Date of Inspection

Joe Appraiser

Market Conditions Addendum to the Appraisal Report

File No. Sample Appraisal

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address XXXX Oriole Drive City Durham State NC ZIP Code 27701

Borrower Bob Smith & Jill Smith

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7–12 Months	Prior 4–6 Months	Current – 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	1	2	3	Increasing	Stable	Declining
Absorption Rate (Total Sales/Months)	.17	.67	1.00	Increasing	Stable	Declining
Total # of Comparable Active Listings	2	3	2	Declining	Stable	Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	11.8	4.5	2.0	Declining	Stable	Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7–12 Months	Prior 4–6 Months	Current – 3 Months	Overall Trend		
Median Comparable Sale Price	210,000	215,000	214,000	Increasing	Stable	Declining
Median Comparable Sales Days on Market	95	90	92	Declining	Stable	Increasing
Median Comparable List Price	215,000	218,000	215,000	Increasing	Stable	Declining
Median Comparable Listings Days on Market	85	78	82	Declining	Stable	Increasing
Median Sale Price as % of List Price	95	96	94	Increasing	Stable	Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	Yes	No		Declining	Stable	Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). Seller concessions are generally <3% of the purchase price.

Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties).

Cite data sources for above information. Spearman MLS

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

Good market, good demand, stable.

If the subject is a unit in a condominium or cooperative project, complete the following: **Project Name:**

Subject Project Data	Prior 7–12 Months	Prior 4–6 Months	Current – 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				Increasing	Stable	Declining
Absorption Rate (Total Sales/Months)				Increasing	Stable	Declining
Total # of Active Comparable Listings				Declining	Stable	Increasing
Months of Unit Supply (Total Listings/Ab.Rate)				Declining	Stable	Increasing

Are foreclosure sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

APPRAISER

Signature Joe Appraiser

Appraiser Name Joe Appraiser

Company Name The Sample Appraisal Company

Company Address 11111 Anytown Street, Spearman, NC

State License/Certification # A48TTZ State NC

Email Address XXXXX.XXXX@XXXXX.net

Signature

Supervisory Appraiser Name

Company Name

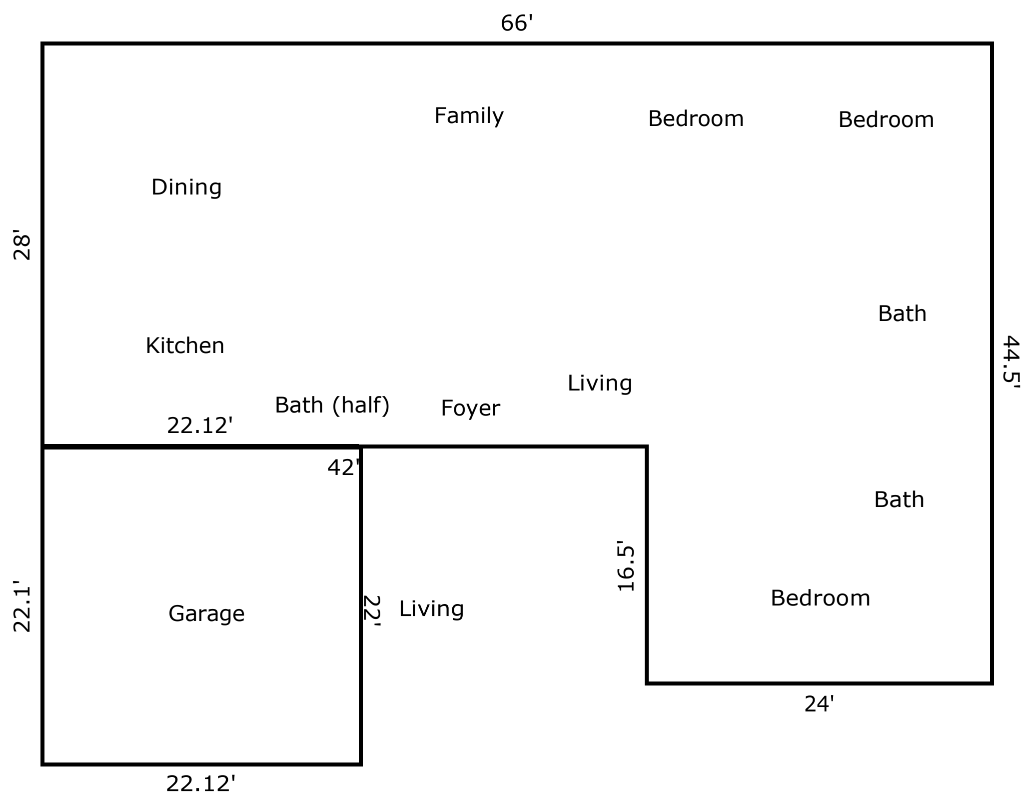
Company Address

State License/Certification # State

Email Address

Building Sketch

Borrower	Bob Smith & Jill Smith						
Property Address	XXXX Oriole Drive						
City	Durham	County	Durham	State	NC	Zip Code	27701
Lender/Client	Friendly Bank						



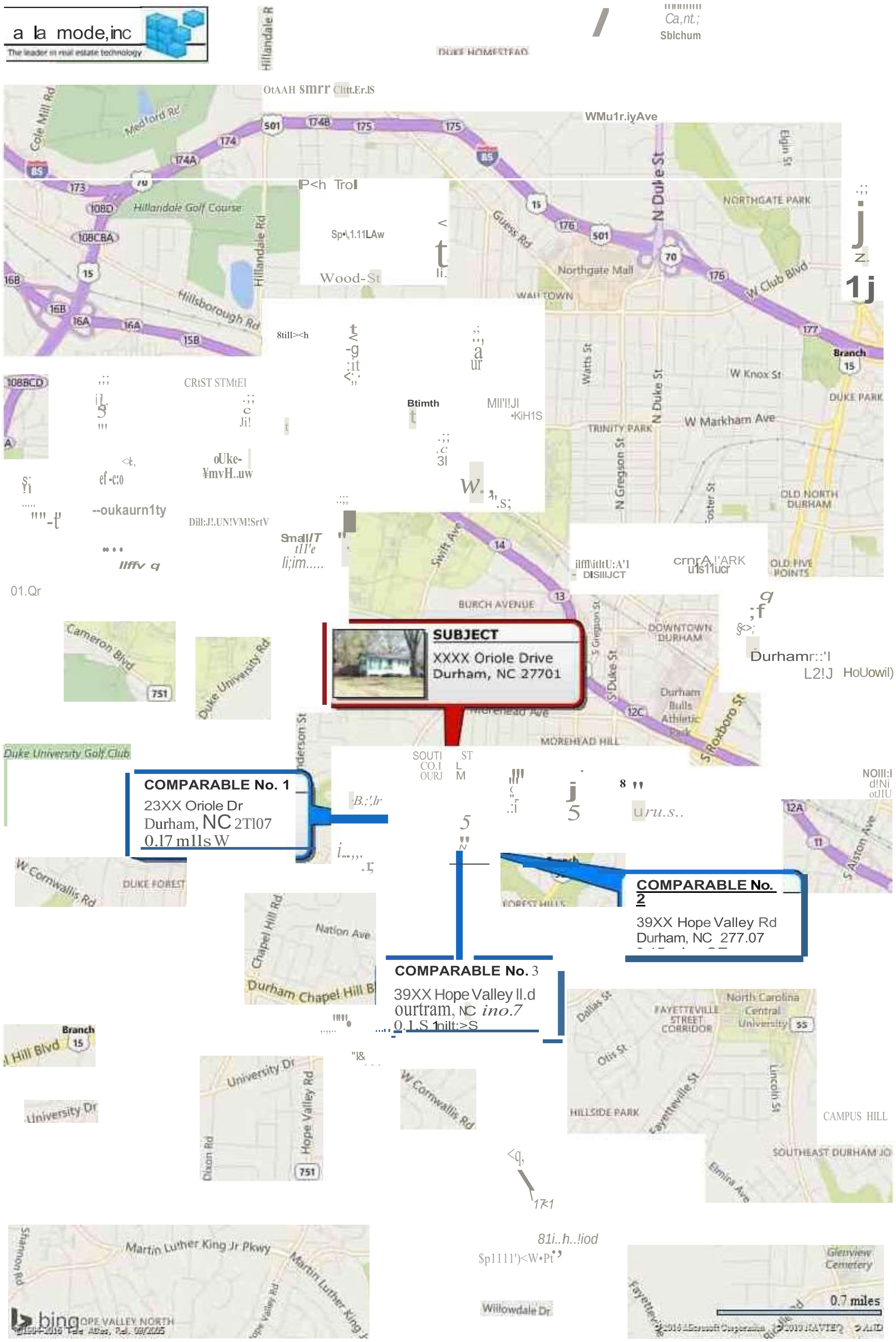
TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area		**Calculation Details**		
First Floor	2244 Sq ft	24 × 16.5	=	396
		28 × 66	=	1848
Total Living Area (Rounded):	**2244 Sq ft**			
Non-living Area				
2 Car Attached	487.75 Sq ft	22.12 × 22	=	486.64
		0.5 × 22.12 × 0.1	=	1.11

Location Map

Borrower	Bob Smith & Jill Smith						
ROI>'flfA<ll5	XXXX Oriole Drive						
Oly	Durham	OJun?j	Durham	SEil	NC	DpC<m	27701
L.endeGlienl	Friendlv Bank						



Subject Photo Page

Borrower	Bob Smith & Jill Smith						
Property Address	XXXX Oriole Drive						
City	Durham	County	Durham	State	NC	Zip Code	27701
Lender/Client	Friendly Bank						

Subject Front

XXXX Oriole Drive

Sales Price	218,000
Gross Living Area	2,244
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	2.5
Location	N;Res;
View	N;Res;
Site	20000 sf
Quality	Q4
Age	51

Subject Rear

Subject Street

Subject Interior Photo Page

Borrower	Bob Smith & Jill Smith						
Property Address	XXXX Oriole Drive						
City	Durham	County	Durham	State	NC	Zip Code	27701
Lender/Client	Friendly Bank						

Subject Interior

XXXX Oriole Drive

Sales Price	218,000
Gross Living Area	2,244
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	2.5
Location	N;Res;
View	N;Res;
Site	20000 sf
Quality	Q4
Age	51

Subject Interior

Subject Interior

Subject Interior Photo Page

Borrower	Bob Smith & Jill Smith						
Property Address	XXXX Oriole Drive						
City	Durham	County	Durham	State	NC	Zip Code	27701
Lender/Client	Friendly Bank						

Subject Interior

XXXX Oriole Drive

Sales Price	218,000
Gross Living Area	2,244
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	2.5
Location	N;Res;
View	N;Res;
Site	20000 sf
Quality	Q4
Age	51

Subject Interior

Subject Interior

Subject Interior Photo Page

Borrower	Bob Smith & Jill Smith						
Property Address	XXXX Oriole Drive						
City	Durham	County	Durham	State	NC	Zip Code	27701
Lender/Client	Friendly Bank						

Subject Interior

XXXX Oriole Drive

Sales Price	218,000
Gross Living Area	2,244
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	2.5
Location	N;Res;
View	N;Res;
Site	20000 sf
Quality	Q4
Age	51

Subject Interior

Subject Interior

Comparable Photo Page

Borrower	Bob Smith & Jill Smith						
Property Address	XXXX Oriole Drive						
City	Durham	County	Durham	State	NC	Zip Code	27701
Lender/Client	Friendly Bank						

Comparable 1

23XX Oriole Dr

Prox. to Subject	0.17 miles W
Sale Price	223,000
Gross Living Area	1,996
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	2.0
Location	N;Res;
View	N;Res;
Site	20038 sf
Quality	Q4
Age	50

Comparable 2

39XX Hope Valley Rd

Prox. to Subject	0.15 miles SE
Sale Price	220,000
Gross Living Area	2,156
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	2.5
Location	N;Res;
View	N;Res;
Site	21562 sf
Quality	Q4
Age	45

Comparable 3

39XX Hope Valley Rd

Prox. to Subject	0.15 miles S
Sale Price	215,000
Gross Living Area	2,250
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	2.5
Location	N;Res;
View	N;Res;
Site	20000 sf
Quality	Q4
Age	56

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Condition Ratings and Definitions

C1

The improvements have been recently constructed and have not been previously occupied. The entire structure and all components are new and the dwelling features no physical depreciation.

Note: Newly constructed improvements that feature recycled or previously used materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100 percent new foundation and the recycled materials and the recycled components have been rehabilitated/remanufactured into like-new condition. Improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (that is, newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).

C2

The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category are either almost new or have been recently completely renovated and are similar in condition to new construction.

Note: The improvements represent a relatively new property that is well maintained with no deferred maintenance and little or no physical depreciation, or an older property that has been recently completely renovated.

C3

The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

Note: The improvement is in its first-cycle of replacing short-lived building components (appliances, floor coverings, HVAC, etc.) and is being well maintained. Its estimated effective age is less than its actual age. It also may reflect a property in which the majority of short-lived building components have been replaced but not to the level of a complete renovation.

C4

The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

Note: The estimated effective age may be close to or equal to its actual age. It reflects a property in which some of the short-lived building components have been replaced, and some short-lived building components are at or near the end of their physical life expectancy; however, they still function adequately. Most minor repairs have been addressed on an ongoing basis resulting in an adequately maintained property.

C5

The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

Note: Some significant repairs are needed to the improvements due to the lack of adequate maintenance. It reflects a property in which many of its short-lived building components are at the end of or have exceeded their physical life expectancy but remain functional.

C6

The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

Note: Substantial repairs are needed to the improvements due to the lack of adequate maintenance or property damage. It reflects a property with conditions severe enough to affect the safety, soundness, or structural integrity of the improvements.

Quality Ratings and Definitions

Q1

Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2

Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residence constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Quality Ratings and Definitions (continued)

Q3

Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Q4

Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

Q5

Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6

Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure

Definitions of Not Updated, Updated, and Remodeled

Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical/functional deterioration.

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of) square footage). This would include a complete gutting and rebuild.

Explanation of Bathroom Count

Three-quarter baths are counted as a full bath in all cases. Quarter baths (baths that feature only a toilet) are not included in the bathroom count. The number of full and half baths is reported by separating the two values using a period, where the full bath count is represented to the left of the period and the half bath count is represented to the right of the period.

Example:

3.2 indicates three full baths and two half baths.

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Abbreviations Used in Data Standardization Text

Abbreviation	Full Name	Fields Where This Abbreviation May Appear
ac	Acres	Area, Site
AdjPrk	Adjacent to Park	Location
AdjPwr	Adjacent to Power Lines	Location
A	Adverse	Location & View
ArmLth	Arms Length Sale	Sale or Financing Concessions
ba	Bathroom(s)	Basement & Finished Rooms Below Grade
br	Bedroom	Basement & Finished Rooms Below Grade
B	Beneficial	Location & View
Cash	Cash	Sale or Financing Concessions
CtySky	City View Skyline View	View
CtyStr	City Street View	View
Comm	Commercial Influence	Location
c	Contracted Date	Date of Sale/Time
Conv	Conventional	Sale or Financing Concessions
CrtOrd	Court Ordered Sale	Sale or Financing Concessions
DOM	Days On Market	Data Sources
e	Expiration Date	Date of Sale/Time
Estate	Estate Sale	Sale or Financing Concessions
FHA	Federal Housing Authority	Sale or Financing Concessions
GlfCse	Golf Course	Location
Glfvw	Golf Course View	View
Ind	Industrial	Location & View
in	Interior Only Stairs	Basement & Finished Rooms Below Grade
Lndfl	Landfill	Location
LtdSght	Limited Sight	View
Listing	Listing	Sale or Financing Concessions
Mtn	Mountain View	View
N	Neutral	Location & View
NonArm	Non-Arms Length Sale	Sale or Financing Concessions
BsyRd	Busy Road	Location
o	Other	Basement & Finished Rooms Below Grade
Prk	Park View	View
Pstrl	Pastoral View	View
PwrLn	Power Lines	View
PubTrn	Public Transportation	Location
rr	Recreational (Rec) Room	Basement & Finished Rooms Below Grade
Relo	Relocation Sale	Sale or Financing Concessions
REO	REO Sale	Sale or Financing Concessions
Res	Residential	Location & View
RH	USDA - Rural Housing	Sale or Financing Concessions
s	Settlement Date	Date of Sale/Time
Short	Short Sale	Sale or Financing Concessions
sf	Square Feet	Area, Site, Basement
sqm	Square Meters	Area, Site
Unk	Unknown	Date of Sale/Time
VA	Veterans Administration	Sale or Financing Concessions
w	Withdrawn Date	Date of Sale/Time
wo	Walk Out Basement	Basement & Finished Rooms Below Grade
wu	Walk Up Basement	Basement & Finished Rooms Below Grade
WtrFr	Water Frontage	Location
Wtr	Water View	View
Woods	Woods View	View

Other Appraiser-Defined Abbreviations

Abbreviation	Full Name	Fields Where This Abbreviation May Appear