

# Appraisal Review Checklist

## Government Transactions



LOAN FILE IDENTIFICATION	
Borrower Name _____	CMC Loan # _____
Property Address _____	

INSTRUCTIONS – COMPLETE:
<input type="checkbox"/> Loan File Identification <input type="checkbox"/> Pre-Review Requirements <input type="checkbox"/> Subject – Appraisal Section <input type="checkbox"/> Contract – Appraisal Section <input type="checkbox"/> Site – Appraisal Section <input type="checkbox"/> Improvements – Appraisal Section <input type="checkbox"/> Sales Comparison Approach – Appraisal Section <input type="checkbox"/> Reconciliation – Appraisal Section <input type="checkbox"/> Instructions Checklist <input type="checkbox"/> Additional Comments – Appraisal Section <input type="checkbox"/> Cost Approach – Appraisal Section <input type="checkbox"/> Income Approach – Appraisal Section <input type="checkbox"/> PUD Information – Appraisal Section <input type="checkbox"/> Neighborhood – Appraisal Section <input type="checkbox"/> Appraisal Addenda/Other – Appraisal Section <input type="checkbox"/> Market Conditions Addendum <input type="checkbox"/> Exhibit <input type="checkbox"/> Preparer Information

PRE-REVIEW REQUIREMENTS	
<input type="checkbox"/> Does the specific investor have an “Exclusionary” list?	<ul style="list-style-type: none"> <li>• If yes, review/apply any investor’s overlay.</li> </ul>
<input type="checkbox"/> Is there a DU Underwriting Findings “Red Flag Message” related to “Excessive Value” or “Rapid Appreciation”? <b>OR</b> <input type="checkbox"/> Is there an LP Feedback Certificate have HVE “Y3” or “Y6” message?	<ul style="list-style-type: none"> <li>• If yes, Appraiser must satisfactorily address whether reasonable conditions exist for such appreciation; &amp;</li> <li>• Apply CMC policy. (Refer to UW Newsletter dated 2-21-11, Page 15 &amp; 16 for requirements)</li> </ul>
<input type="checkbox"/> Were all investor specific appraisal-related overlays met?	<ul style="list-style-type: none"> <li>• Review/apply specific investor’s overlay.</li> </ul>
<input type="checkbox"/> Was the correct appraisal form used? Appraisal Form #: _____	<ul style="list-style-type: none"> <li>• Single Family- Fannie Mae 1004; or</li> <li>• 2-4 Unit- Fannie Mae 1025; or</li> <li>• Condominium- Fannie Mae 1073</li> </ul> <p><b>Note: FHA site condos should be on SFR 1004</b></p>
<input type="checkbox"/> VA- Does the appraisal review date fall within timeliness standards (5 business days from date of appraisal?)	<ul style="list-style-type: none"> <li>• If no, portal must always be noted with reason for tardiness.</li> </ul>
<input type="checkbox"/> USDA- Is the property located in an eligible RD area?	<ul style="list-style-type: none"> <li>• If no, the loan is not eligible for USDA financing.</li> </ul>

SUBJECT		
1	<input type="checkbox"/> Does the Property Address, including legal description, on the appraisal match the property address on the sales contract & 1003?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If yes, confirm that the address is not a P.O. Box.</li> <li>• If no, verify that correct property was appraised, &amp;</li> <li>• Obtain corrected document(s).</li> <li>• Property address must include all pre-fix and suffixes (i.e. N., S., Dr., Lane; case assignment to match!); and</li> <li>• Legal description must match to title.</li> </ul>
2	<input type="checkbox"/> Does the Borrower’s name(s) on the appraisal match the contract & 1003?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, FHA- Must be acceptable transferred or VA converted appraisal</li> <li>• If no, VA/USDA- Appraiser to provide corrected URAR with correct Borrower’s name (s)</li> </ul>
3	<input type="checkbox"/> <b>Purchase transaction-</b> Is the Owner of Public Record the same as the seller/owner on the contract & title?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, obtain an explanation for the discrepancy; &amp;</li> <li>• Ensure the same seller/owner is reflected as appearing on the contract &amp; title commitment; &amp;</li> <li>• An additional level of review/justification required.</li> </ul> <p><b>Note: Refer to Pg. 7 Question #25, if applicable.</b></p>
4	<input type="checkbox"/> <b>Refinance transaction-</b> Is the Occupant the borrower & the owner of public record?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, <b>loan is not saleable.</b></li> </ul>
5	<input type="checkbox"/> Is there an amount listed for Special Assessments?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If yes, appraiser must explain; and</li> <li>• Add Special Assessment amount to the DTI</li> </ul>

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<b>SUBJECT (Continued)</b>		
6	<input type="checkbox"/> Is the property a PUD or Condo?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
7	<input type="checkbox"/> <b>Condo-</b> a) Is the project FHA/VA approved?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
8	<input type="checkbox"/> Is the property listed as Fee Simple?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
9	<input type="checkbox"/> Does the Assignment (i.e., transaction) Type match 1003?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
10	<input type="checkbox"/> Is the Lender/Client listed as Cornerstone Mortgage Co. or other CMC eligible ABA?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
11	<input type="checkbox"/> Has the property been listed for sale in the last 12 months?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
12	<input type="checkbox"/> If the subject property was listed for sale in the past 12 months, is the appraised value significantly less than the prior listing price(s)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
13	<input type="checkbox"/> Is the FHA/VA case number reflected accurately on the appraisal?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
14	<input type="checkbox"/> Does the appraisal reflect that the property is currently vacant?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>CONTRACT (This section N/A for HUD REO and Refinance Transactions)</b>		
1	<input type="checkbox"/> Did appraiser analyze the sales contract?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
2	<input type="checkbox"/> Do the Contract Price and date of Contract match the information included on the sales contract in the file?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
3	<input type="checkbox"/> Is the Owner of Public Record the same as the seller/owner on the contract & title?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
4	<input type="checkbox"/> Is the Contract sales price greater than the list price?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

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<b>CONTRACT (This section N/A for HUD REO and Refinance Transactions)</b>			
5	<input type="checkbox"/> Are there any Interested Party Contributions (IPCs)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser must list items <u>and</u> dollar amount being paid; and               <ul style="list-style-type: none"> <li>✓ Apply applicable guideline for maximum IPC</li> <li>✓ FHA-Dollar amount of <u>any</u> down payment assistance (including 2<sup>nd</sup> liens) must be noted in the sales contract provided to the appraiser as well as reflected on the appraisal report (not counted in max. IPC %)</li> </ul> </li> <li>If transferred or acceptable converted appraisal-note on Form 54114 and the attempt made to request correction from Appraiser.</li> </ul>
6	<input type="checkbox"/> Are there any Sales Concessions (not standard acceptable IPCs)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser must:               <ul style="list-style-type: none"> <li>✓ List sales concession items and provide dollar amount/value; and</li> <li>✓ Specifically address the effect excessive concessions had on the sales price of the comparables as well as the valuation of the subject; and</li> <li>✓ Subtract dollar amount/value of sales concessions from the sales price listed on the sales contract and recalculate the LTV/CLTV based on the reduced sales price.</li> </ul> </li> <li>Personal Property must be identified and excluded from valuation.</li> </ul>
<b>NEIGHBORHOOD</b>			
1	<input type="checkbox"/> Is the neighborhood under 25% Built-Up and is location "Urban" or "Suburban"?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser must satisfactorily comment.</li> </ul>
2	<input type="checkbox"/> Is the subject property in a "declining," "at risk," or "soft market"? <ul style="list-style-type: none"> <li>▪ Property Values = Declining, or</li> <li>▪ Demand/Supply = Over Supply, or</li> <li>▪ Marketing Time = Over 6 Months, or</li> <li>▪ Appraiser comments = Property is in a "declining," "at risk" or "soft" market area.</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser must address market characteristics &amp; issues; and</li> <li>If yes-               <ul style="list-style-type: none"> <li>✓ Review/apply investor's declining or soft market requirements, if applicable.</li> <li>✓ FHA- Follow requirements of Mortgage letter 09-09</li> <li>✓ VA- Follow requirements of Circular Letter 26-07-04.</li> </ul> </li> <li>If no or USDA, ensure comments found throughout report support this (i.e. no comments such as "oversupply of homes for sale")</li> </ul>
3	<input type="checkbox"/> Does the appraised value fall within the Neighborhood's price range?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser must comment; loan may not be saleable.</li> </ul>
4	<input type="checkbox"/> Is the Present Land Use predominately residential & similar to the subject's use?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser must comment.</li> </ul>
5	<input type="checkbox"/> Is the Present Land Use stable?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser must comment.</li> </ul>
6	<input type="checkbox"/> Does the description of the Neighborhood Boundaries match the location map included with the report, and are all comps located within these boundaries?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser must satisfactorily comment, and</li> <li>Appraiser should provide at least 3 closed comps located within the subject neighborhood boundaries.</li> </ul> <p><b>Note: Map of the comparable sales should be carefully reviewed to ensure that it has not been altered to misrepresent the proximity of the comps.</b></p>
7	<input type="checkbox"/> Are there any negative comments in Neighborhood Description or Market Conditions?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser must provide detailed explanation.</li> </ul>
<b>SITE</b>			
1	<input type="checkbox"/> Does the site contain excessive acreage or lot that is not typical for the neighborhood?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If large acreage, Comparables provided must support acreage.               <ul style="list-style-type: none"> <li>✓ USDA- Excessive acreage beyond modest not acceptable.</li> <li>✓ VA- Must have history of being bought and sold inclusive of excessive acreage</li> </ul> </li> <li>FHA-If excess land exists, can be subdivided and capable of separate use ensure;               <ul style="list-style-type: none"> <li>✓ No value is given; and</li> <li>✓ Condition that excess land be excluded from mortgage security.</li> </ul> </li> </ul> <p><b>Note: FHA-Site area must always be shown in numeric square feet or in number of acres (except when Condo)</b></p>

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<b>SITE (continued)</b>			
2	<input type="checkbox"/> Is Zoning Classification residential but Zoning Compliance Legal Non-Conforming?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser to explain why property is Legal Non-Conforming, and</li> <li>Confirm that the dwelling can be rebuilt to its current density if destroyed in part or in whole.</li> </ul>
3	<input type="checkbox"/> Is Zoning Classification agricultural but Zoning Compliance allows for residential use with Zoning Compliance Legal Non-Conforming?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, confirm that the dwelling can be rebuilt to its current density if destroyed in part or in whole, property is not an income-producing farm, and typical for the area; and</li> <li>Should have similar comparables.</li> <li>If AG exempt, follow state requirements.</li> </ul>
4	<input type="checkbox"/> Is Zoning Classification "Commercial" or "Industrial"?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, <b>loan is not saleable.</b></li> </ul>
5	<input type="checkbox"/> Is Zoning Compliance "Illegal"?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, <b>loan is not saleable.</b></li> </ul>
6	<input type="checkbox"/> Is the Highest & Best use of the subject property as improved the present use?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, <b>loan is not saleable.</b></li> </ul>
7	<input type="checkbox"/> Are Electricity and Gas service public?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, Appraiser must provide type of service and evaluate accordingly.</li> </ul>
8	<input type="checkbox"/> Are Water and Sewer service public?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser must provide type of service; and FHA-Require applicable water/septic inspections when:               <ul style="list-style-type: none"> <li>✓ Deficiencies noted by appraiser</li> <li>✓ Evident property has been vacant for an extended period of time.</li> <li>✓ Requirement of the sales contract</li> </ul> </li> <li>Ensure min. distance well/septic requirement met in all cases. Follow Mtg. Letter 2002-25.</li> <li>Apply guidance in FHA Valuation Protocol FAQ VA/USDA- Always require water quality test; and</li> <li>Septic inspection when:               <ul style="list-style-type: none"> <li>✓ Deficiencies noted by appraiser</li> <li>✓ Requirement of the sales contract</li> <li>✓ Required by VA Regional or RD Regional Loan Center</li> </ul> </li> <li>Comply with additional requirements when property is serviced by a shared well or community water.</li> <li>When hook-up to public services available determine feasibility.</li> </ul>
9	<input type="checkbox"/> Is the street public?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser must explain; and</li> <li>A permanent recorded easement allowing ingress/egress must be obtained or provide evidence road owned and maintained by HOA.</li> <li>FHA/VA- Any existing road agreement maintenance fee must be added into the DTI calculation.</li> <li>VA- Evidence of continued maintenance of the road must be provided.</li> <li>USDA- Must have access to paved or all weather surface street, road or driveway.</li> </ul>
10	<input type="checkbox"/> Is the property in a Special Flood Hazard Area? a) Did the Appraiser provide a Flood Map? b) Does the Flood Map/Zone match the flood certificate?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A  <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, confirm with Flood Certificate and require flood insurance.</li> <li>FHA new construction property ineligible unless lowest floor above base flood elevation.</li> <li>USDA- All property ineligible unless lowest floor above base flood elevation.</li> <li>If no to "a", have Appraiser provide Flood Map.</li> <li>If no to "b", reconcile the applicable document.</li> </ul>
11	<input type="checkbox"/> Are the utility and off-site improvements typical for the market area?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser must explain; <b>loan may not be saleable.</b></li> </ul>

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<b>SITE (continued)</b>			
12	<input type="checkbox"/> Are there any adverse site conditions or external factors? <input type="checkbox"/> Soil contamination <input type="checkbox"/> Underground or Stationary storage tanks <input type="checkbox"/> Oil or Gas Wells <input type="checkbox"/> Heavy Traffic <input type="checkbox"/> Slush Pits <input type="checkbox"/> Airport noise and Hazards <input type="checkbox"/> Overhead High-Voltage Transmission Lines <input type="checkbox"/> Smoke, fumes, offensive noises & odors. <input type="checkbox"/> Improvements located within utility/gas pipeline easements	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser must explain; and</li> <li>Determine whether the site condition and/or external factor could be acceptable to the applicable insuring agency; and</li> <li>Ensure the applicable requirements of the insuring agency to meet eligibility are met.</li> </ul>
<b>IMPROVEMENTS</b>			
1	<input type="checkbox"/> Does the General Description, Design Amenities, Car storage, etc. match the photos of the subject property?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser must explain discrepancies; and</li> <li>Provide a revised appraisal report.</li> </ul>
2	<input type="checkbox"/> Is there a difference between Year Built and Effective Age?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser must provide acceptable reasons for difference</li> </ul>
3	<input type="checkbox"/> Are both Exterior and Interior materials in $\geq$ average condition?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, <b>loan is not saleable.</b></li> </ul>
4	<input type="checkbox"/> Is there evidence of Foundation settlement, dampness, or infestation?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, obtain applicable professional inspections.</li> <li>If VA, always require clear termite inspection if required by VA Regional Center.</li> </ul> <p><b>Note: Minor settlement that is noted as typical for the area by the Appraiser may be acceptable.</b></p>
5	<input type="checkbox"/> Do the following items match the information included in the Comparable Sales Approach section? <ul style="list-style-type: none"> <li>Design/Style</li> <li>Condition</li> <li>Amenities</li> <li>Finished Area Above Grade room count and GLA</li> <li>Additional features (energy efficient items, etc.)</li> <li>Actual Age</li> <li>Heating/Cooling</li> <li>Car Storage</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser must explain discrepancies; and</li> <li>A revised appraisal report must be provided.</li> </ul>
6	<input type="checkbox"/> Are any functional utility issues noted? (i.e. have to go through one bedroom to get to another bedroom, or only bathroom is on a different floor than the bedrooms)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser must explain; and</li> <li>Comps in the Sales Comparison Approach must be adjusted accordingly.</li> </ul> <p><b>Note: Any modifications must be legal and not in violation of local code and/or deed restrictions.</b></p>
7	<input type="checkbox"/> Are there any Physical Deficiencies (e.g., roof leaks, water seepage, etc.), or Adverse Conditions (e.g., environmental issues, etc.) affecting livability, soundness, or structural integrity of the property?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser must explain; and</li> <li>All repairs that affect livability, soundness or structural integrity must be completed prior to closing unless an allowable repair escrow is established.</li> </ul>
8	<input type="checkbox"/> Does the property conform to the neighborhood?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser must explain; <b>loan probably not saleable.</b></li> </ul>
9	<input type="checkbox"/> Does the construction stage agree with Pg 2 reconciliation?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser must reconcile &amp; provide a corrected Appraisal report.</li> </ul>
10	<input type="checkbox"/> If property < 1 yr. old- <ul style="list-style-type: none"> <li>a) Is month <u>and</u> year built provided?</li> <li>b) Are applicable new construction documents provided?</li> <li>c) Were competing builder and resale comparables provided?</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>FHA-If no to answer "a", contact appraiser to correct appraisal providing this information.</li> <li>FHA/VA/USDA-If no to "b", obtain required documents.*           <ul style="list-style-type: none"> <li>✓ FHA- Valuation protocol-FAQ</li> <li>✓ VA- Handbook Chapter 10 &amp; 14</li> <li>✓ USDA- AN 5443 Doc. Matrix- Pg 28</li> </ul> </li> <li>FHA/VA/USDA- If no to "c", appraiser must provide competing builder &amp; resale comparables.</li> </ul> <p><b>Note: FHA/VA-Use New construction Cheat Sheet to complete Conditional Commitment and/or Notice of Value (VA -Circular 26-06-01)</b></p>
11	<input type="checkbox"/> Does the square footage of the subject property agree with figure reported in grid on page 2?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, contact Appraiser to correct the appraisal;&amp;</li> <li>Make applicable adjustments.</li> </ul>

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<b>SALES COMPARISON APPROACH</b>		
1	<input type="checkbox"/> Do the first two lines (re: # of avail. comps and sales prices) confirm the information included in the Neighborhood section?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no, appraiser must explain discrepancies; and</li> <li>A revised appraisal report must be provided.</li> </ul>
2	<input type="checkbox"/> Are comps within close proximity of subject based on neighborhood characteristics (e.g., Urban = < 1 mile, Suburban = 1-3 miles, or Rural = over 3 miles?)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no, appraiser must satisfactorily comment; may need additional comp(s).</li> </ul>
3	<input type="checkbox"/> Do the comps located farther away from the subject have higher sales prices than the closer comps?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If yes, appraiser to comment; may need additional comp(s).</li> </ul>
4	<input type="checkbox"/> Does the sales price of the closed sale comps provided bracket the appraised value?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no, appraiser to comment; may need additional comp(s).</li> </ul> <p><b>Note: FHA- Preference is bracketing be accomplished with Comp. 1-3 when more than 3 comparables provided.</b></p>
5	<input type="checkbox"/> Are Data Source(s) and Verification Source(s) used acceptable?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no, appraiser must comment; and</li> <li>A revised appraisal report must be provided.</li> </ul> <p><b>Note: MLS by itself is not considered a verification source. Data and verification cannot be the same source.</b></p>
6	<input type="checkbox"/> Is Sale or Financing Concessions listed for any of the comps?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If yes, appraiser must comment; and</li> <li>Provide dollar amount of concession; and</li> <li>Provide adjustment, if applicable.</li> </ul>
7	<input type="checkbox"/> Are comps dated within 6 months of the date of the appraisal?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no, appraiser must comment; may need additional comparables.</li> </ul> <p><b>Note: Comps 1-3 must have sold &lt; 12 months prior to the appraisal date.</b></p>
8	<input type="checkbox"/> Did the appraiser give negative time adjustments?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If declining market, follow requirements of:</li> <li>FHA- Mortgagee Letter 2009-09</li> <li>VA- Circular Letter 26-07-04</li> </ul>
9	<input type="checkbox"/> Do comps that sold longer ago have a higher sales price than more recent comps?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If declining market, follow requirements of :</li> <li>FHA- Mortgagee Letter 2009-09</li> <li>VA- Circular Letter 26-07-04</li> </ul>
10	<input type="checkbox"/> Does the reported days-on-the market of the comparables indicate a marketing time over six months?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If declining market, follow requirements of :</li> <li>FHA- Mortgagee Letter 2009-09</li> <li>VA- Circular Letter 26-07-04</li> </ul>
11	<input type="checkbox"/> Is the Days-on-the-Market of the comparables consistent with the appraiser's range of marketing time included in the Neighborhood section?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no, appraiser must explain discrepancies; and</li> <li>A revised appraisal report must be provided.</li> </ul>
12	<input type="checkbox"/> Do the comps and the subject have similar characteristics, such as: <ul style="list-style-type: none"> <li>Location</li> <li>View</li> <li>Actual Age</li> <li>Quality of Construction</li> <li>Above Grade Room Count</li> <li>Above Grade GLA</li> <li>Basement – Rooms &amp; GLA</li> <li>Functional Utility</li> <li>Heating/Cooling</li> <li>Energy Efficient Items</li> <li>Garage/Carport</li> <li>Porch/Patio/Deck</li> <li>Site</li> <li>Design</li> <li>Condition</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no, appraiser must comment; probably need additional comp(s) that contain similar characteristic(s).</li> </ul>
13	<input type="checkbox"/> Do any of comps bracket the subject's: <ul style="list-style-type: none"> <li>Site Size</li> <li>Actual Age</li> <li>Gross Living Area</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no, appraiser must comment; may need additional comp(s) that bracket the subject's site size, age, and/or GLA.</li> </ul> <p><b>Note: FHA-Preference bracketing be accomplished with Comp. 1-3 when more than 3 comparables</b></p>
14	<input type="checkbox"/> Does the subject property have a unique design; (e.g., log home, earth/berm home, geodesic dome, etc)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If yes, appraiser to comment; may need additional comps (s) with similar design; and</li> <li>Review/apply investor overlay on unique property.</li> </ul>
15	<input type="checkbox"/> Is the Condition of the subject property <b>≤ C4?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no, <b>loan is not saleable.</b></li> </ul>

# Appraisal Review Checklist

## Government Transactions

Appraisal Section	Answer	Action Required	
<b>SALES COMPARISON APPROACH (continued)</b>			
16	<input type="checkbox"/> Does the subject have any auxiliary features (e.g., garage apt., guest house, etc)?  a) Is marketability demonstrated via acceptable comps? b) Should the property be considered a 2-4 family property?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A  <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A  <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If answer to “a” is no, appraiser to provide additional comps(s) with auxiliary features.</li> <li>If answer to “b” is yes, ensure correct appraisal report form 1025 is used; and</li> <li>FHA- Apply guidance in Valuation Protocol FAQ</li> <li>USDA-If answer to “b” is yes- property is ineligible.</li> </ul>
17	<input type="checkbox"/> Are there any “additional” adjustments (i.e. pool, outbuildings, etc.)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser to comment, and may need additional comps with similar “additional” features.</li> <li>USDA-               <ul style="list-style-type: none"> <li>✓ Contributory value of pool cannot be included in new loan amount.</li> <li>✓ Excessive outbuildings not acceptable.</li> </ul> </li> </ul>
18	<input type="checkbox"/> Is the subject <i>property description consistent with</i> the General Description in the Improvements section?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser must explain discrepancies; and</li> <li>A revised appraisal report must be provided.</li> </ul>
19	<input type="checkbox"/> Are there any “across the board” line adjustments?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser to comment; probably need additional comp(s) that don’t require the adjustment.</li> </ul>
20	<input type="checkbox"/> Are there line item adjustments given on more than one of the following? <ul style="list-style-type: none"> <li>Design(Style)</li> <li>Quality of Construction</li> <li>Actual Age</li> <li>Condition</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, ensure that the appraiser has thoroughly explained and supported these adjustments and that no “padding” has occurred.</li> </ul>
21	<input type="checkbox"/> Are any line adjustments greater than 10%?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser to comment; may need additional comp(s).</li> </ul>
22	<input type="checkbox"/> Are net adjustments greater than 15%?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser to comment; may need additional comp(s).</li> </ul>
23	<input type="checkbox"/> Are gross adjustments greater than 25%?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser to comment; may need additional comp(s).</li> </ul>
24	<input type="checkbox"/> Did appraiser provide the sale/transfer history of subject for the last 3 years and last year for the comparables?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser must provide transfer date (month &amp; year on FHA) and sales price/dollar value for all sale/transfers.</li> </ul> <p><b>Note: Land sales should not be included in sales history.</b></p>
25	<input type="checkbox"/> If the subject property was sold within the past 12 months, has a “flip” occurred?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, an additional level of review/justification is required.</li> <li>If yes-FHA:               <ul style="list-style-type: none"> <li>✓ If 90 days or less since last transfer ensure requirements of Temporary Flipping Waiver are met; and                   <ul style="list-style-type: none"> <li>○ Execute FHA 90 day Flipping Exemption UW Certification.</li> </ul> </li> <li>✓ &gt;90 but &lt;180 days since last transfer                   <ul style="list-style-type: none"> <li>○ 2<sup>nd</sup> appraisal required when 100% increase in sales price from prior acquisition sales price.</li> </ul> </li> </ul> </li> <li>Check investor overlays for additional restriction</li> </ul>
26	<input type="checkbox"/> If the subject property was sold within the past three years, is the current appraised value less than the prior sale?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser must comment; and</li> <li>Appraiser to address declining market concerns.</li> </ul>
27	<input type="checkbox"/> If one or more of the comparable properties has a prior sale within the past 12 months, did the most recent sales price decreased from the prior sales price?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser must comment; and</li> <li>Appraiser to address declining market concerns.</li> </ul>
28	<input type="checkbox"/> If subject was purchased in the past few years, is the rate of appreciation since the purchase reasonable?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser must comment; and</li> <li>An additional level of review/justification is required.</li> </ul> <p><b>Note: If appreciation is due to upgrading, the improvements must be more than maintenance-related and/or cosmetic.</b></p>
29	<input type="checkbox"/> Are subject and comps void of foreclosure or non-arm’s length transactions?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser to comment; and</li> <li>An additional level of review/justification is required.</li> </ul>
30	<input type="checkbox"/> If the subject property was an REO or is in an area where there is significant REO activity, is the appraised value impacted?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If yes, appraiser must acknowledge and comment.</li> </ul> <p><b>Note: Neighborhoods with a high inventory of REOs competing with the subject property could impact the value.</b></p>
31	<input type="checkbox"/> Is the Market Value bracketed by Adjusted Sales Price of Comparables?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<ul style="list-style-type: none"> <li>If no, appraiser to provide additional comp(s).</li> </ul> <p><b>Note: FHA-Preference bracketing accomplished w/ Comp. 1-3 when &gt; 3 comparables provided.</b></p>

# Appraisal Review Checklist

## Government Transactions

Appraisal Section	Answer	Action Required
<b>RECONCILIATION</b>		
1	<input type="checkbox"/> Is the appraisal made "as is"?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If yes, ensure there are no contradictory statements elsewhere in the report that may indicate repairs/inspections may be needed.</li> <li>If no, page 2 must reflect one of the following:               <ul style="list-style-type: none"> <li>✓ &lt;90% complete "Subject to completion"; or</li> <li>✓ &gt;90% complete "Subject to repairs"; or</li> <li>✓ "Subject to inspections"</li> </ul> </li> <li>List <u>all</u> required repairs (per appraiser and/or inspections) on the conditional commitment/NOV</li> <li>FHA- "Appraisal Update and/or Completion Report" cannot serve as final inspection on new construction.</li> </ul> <b>Reminder: HUD REO- Please review appraisal addendum for any required repairs as the appraisal will always reflect "as is".</b>
2	<input type="checkbox"/> Is the Appraisal more than 120 days old?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If yes, and FHA-Appraisal is expired. Review Permissible FHA Validity Period Matrix posted to intranet for guidance.</li> <li>USDA/VA- Appraisal valid for 180 days (both existing and New Construction)</li> </ul>
3	<input type="checkbox"/> Is the Market Value supported by the Sales Comparison Approach, Cost Approach (if developed) and Income Approach (if developed)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no, <b>loan is not saleable.</b></li> </ul>
4	<input type="checkbox"/> Does the market value support the sales price on a purchase transaction?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no, appraiser must provide comments.</li> </ul>
5	<input type="checkbox"/> Is there a significant difference between market value and sales price?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If yes, appraiser must comment; and</li> <li>Add'l level of review/justification may be required.</li> </ul>
<b>ADDITIONAL COMMENTS</b>		
1	<input type="checkbox"/> Are there any comments that identify a situation that negatively impacts safety, habitability or marketability of the property?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If yes, appraiser to provide additional detail as needed; and</li> <li>An additional level of review/justification is required; <b>loan may not be saleable.</b></li> </ul>
2	<input type="checkbox"/> Do any comments contradict other information in the appraisal/inspection report?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If yes, appraiser to provide additional detail as needed to reconcile all contradictory comments.</li> </ul>
3	<input type="checkbox"/> USDA-Is the appraiser on the FHA roster & certified that requirements of HUD 4150.2 & 4905.1 have been met?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no, Follow AN4543 Documentation Matrix – see page 27.</li> </ul>
<b>COST APPROACH</b>		
<b>Must be completed in the following instances:</b>		
FHA/USDA- New construction, unique or specialized improvement property. (Site value must still be provided on existing construction)		
VA- New construction < 1 yr old. or when determined relevant by the Appraiser.		
1	<input type="checkbox"/> If the site value exceeds 30%, did the appraiser provide an acceptable explanation?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no, appraiser must comment.</li> <li>USDA- If yes, Must be typical for area and unable to be subdivided.</li> </ul>
2	<input type="checkbox"/> Is there above average physical, functional and/or external depreciation?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If yes, appraiser must comment; and</li> <li>An additional level of review/justification may be required.</li> </ul>
3	<input type="checkbox"/> Is Remaining Economic Life listed & is the remaining life $\geq$ the term of the loan?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no, <b>loan is not saleable.</b></li> </ul> <b>Reminder: Remaining Economic Life is required on Condo properties.</b>
<b>INCOME APPROACH</b>		
1	<input type="checkbox"/> If Small Residential Income Appraisal (Form 1025)- <ul style="list-style-type: none"> <li>a) Does the report contain the supporting comparable rental and sales data, and the calculations used to determine the gross rent multiplier?</li> <li>b) Does the income approach support the market value?</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no to "a", Appraiser must provide amended report with missing information/ documentation.</li> <li>If no to "b", Appraiser must comment and reconcile.</li> </ul>
<b>PUD INFORMATION</b>		
1	<input type="checkbox"/> Did the appraiser complete this section if the developer/builder is in control of the HOA, AND the PUD consists of attached units?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>If no, the appraiser must complete the PUD Information section.</li> </ul>



# Appraisal Review Checklist

## Government Transactions

Appraisal Section	Answer	Action Required
<b>APPRAISAL ADDENDA / OTHER</b>		
1	<input type="checkbox"/> Are all pages and exhibits of appraisal report included? (see Exhibit section on next page) <ul style="list-style-type: none"> <li>▪ Form 1004 &amp; 1073 – 11 pages at min.</li> <li>▪ Form 1025 – 14 pages at minimum</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, appraiser must provide a revised appraisal report containing all required exhibits.</li> </ul>
2	<input type="checkbox"/> Is the appraisal signed, dated and all appraiser information included?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, appraiser must provide a revised appraisal report containing his/her signature, date and any missing information.</li> </ul>
3	<input type="checkbox"/> FHA-Is the appraisal dated prior to the case assignment?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If yes, must be an acceptable conversion of a conventional, USDA or HUD REO appraisal.</li> </ul>
4	<input type="checkbox"/> Does the information included on the Appraiser signature page match data entered in other sections (i.e. subject and Reconciliation sections)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, appraiser to provide a revised appraisal report.</li> </ul>
5	<input type="checkbox"/> Are subject photos and building sketch consistent with appraiser's description of the property in the Improvements and Sales Comparison Approach section?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, appraiser to comment; may need additional comp(s).</li> <li><b>Reminder: Square footage on the sketch must match the square footage reported on page 1 &amp; 2.</b></li> </ul>
6	<input type="checkbox"/> Are the photos of the subject and comps legible and look similar in quality of construction, design and appeal?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, appraiser to comment; may need additional comp(s).</li> <li>• All photos must be legible and current*</li> <li><b>*Use of MLS or older photos to exhibit condition at the time of sale is not acceptable.</b></li> </ul>
7	<input type="checkbox"/> Per the location map, are comps located within the subject market area as described in the Neighborhood section?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, appraiser to comment; may need additional comp(s).</li> <li><b>Note: At min. major cross streets &amp; freeways noted in the neighborhood section must be labeled when Earth Google maps used for location map.</b></li> </ul>
8	<input type="checkbox"/> Is a copy of the appraiser's unexpired state license or certification included with the appraisal report?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, appraiser to provide a copy of his/her unexpired state license/certification.</li> </ul>
9	<input type="checkbox"/> Does the appraiser's license/certification number and expiration date on the appraisal match the actual license/certification?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, appraiser must provide a revised appraisal report reflecting the correct number and expiration date.</li> </ul>
11	<input type="checkbox"/> If any of the following Exhibits were required, were they executed by the appraiser? <ul style="list-style-type: none"> <li>▪ Comparable Rent Schedule (Form 1007)</li> <li>▪ Operating Income Statement (Form 216)</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, appraiser to provide the revised Exhibits containing his/her signature, date, and provide all required information.</li> </ul>
<b>MARKET CONDITIONS ADDENDUM</b>		
<b>Note: The data may not mirror the information reported in the neighborhood section of the report. 1004MC relates to properties that are comparable to the subject to which a buyer may select as a competitive property or (micro market). Data in the neighborhood section is broader and encompasses market activity in the subject's general (or macro) market. All discrepancies however must be satisfactorily reconciled by the appraiser.</b>		
1	<input type="checkbox"/> <b>Inventory Analysis-</b> <ul style="list-style-type: none"> <li>a) Does the data reported support the Overall Trend?</li> <li>b) Does the data contradict other information in the appraisal report such as the data reported on page 2 of the URAR?</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, the appraiser must address and reconcile.</li> </ul>
2	<input type="checkbox"/> <b>Median Sale &amp; List Price, Days on Market Sale/List Percentage-</b> <ul style="list-style-type: none"> <li>a) Does the data reported support the Overall Trend?</li> <li>b) Does the data contradict other information in the appraisal report?</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, the appraiser must address and reconcile</li> </ul>
3	<input type="checkbox"/> Are foreclosures (REO sales) a factor in the market?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If yes, the appraisal report should contain REO comparables to support this conclusion.</li> </ul>
4	<input type="checkbox"/> Did the Appraiser summarize the information to support the conclusions found in the Neighborhood section of the Appraisal report?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, the appraiser must address and reconcile his/her conclusions.</li> </ul>
5	<input type="checkbox"/> If subject is a condo- <ul style="list-style-type: none"> <li>a) Was the condo project section completed?</li> <li>b) Does the Subject Project Data support Overall Trend?</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no to "a", the appraiser must complete this section.</li> <li>• If no to "b", the appraiser must address and reconcile.</li> </ul>
6	<input type="checkbox"/> Is the Addendum fully executed?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <ul style="list-style-type: none"> <li>• If no, Addendum must be fully executed.</li> </ul>

# Appraisal Review Checklist

## Government Transactions



EXHIBITS <sup>1</sup>		
	1004 & 1073 <sup>2, 3, 4, 5</sup> (Interior & Exterior)	1025 <sup>2,3,4,5</sup> (Interior & Exterior)
Photos of Subject <sup>2</sup>	Front, Rear & Street	Front, Rear & Street
Photos of Comps <sup>3</sup>	Front	Front
Interior Photos <sup>4</sup>	Yes	Yes
Building Sketch	Yes	Yes
Est. GLA Calculation	Yes	Yes
Map- Flood	Yes* *If located in Flood Hazard zone	Yes* *If located in Flood Hazard zone
Map - Subject	Yes	Yes
Map - Sales Comps	Yes	Yes
Map - Listing Comps	Yes	Yes
Map - Rental Comps		Yes
1004MC <sup>5</sup> Market Conditions Addendum	Yes	Yes
1007 Comparable Rent Schedule	N/A	
216 Operating Income Stmt.	N/A	2-4 Unit

<sup>2</sup> Exterior photographs listed below must be legible and required on all appraisal reports (i.e. 1004, 1073 & 1025)

- Front and rear at opposite angles to show all sides of the dwelling
- Any improvements with contributory value that are not captured in either the front or rear photos
- Street scene photo to include a portion of the subject site.
- Any negative or positive influences on the value.
- If proposed construction, grade of vacant lot.

<sup>3</sup> The exterior Photographs listed below must be legible and required on all appraisal reports (i.e. 1004, 1073 & 1025)

- Front view
- Use of MLS or older photos to exhibit condition at the time of sale is not acceptable.

<sup>4</sup> The interior photographs listed below are required on all appraisal reports (i.e., 1004, 1073 & 1025):

- Any physical deterioration or deficiency
- Recent updates to which an adjustment was given on the comparable grid (For example: restoration, remodel or renovation)
- Amenity to which an adjustment was given on the comparable grid (For example: pool, out buildings, or superior scenic view)
- **VA**- Kitchen, all bathrooms, and main living area.

**NOTE:** If the subject is a 2-4 unit property, at least one interior photo in each unit should be provided by the appraiser.

<sup>5</sup> Appraiser must use 1004MC form dated March 2009

PREPARER INFORMATION	
Preparer's Name	Date Completed
Preparer's Title	Preparer's Phone Number

Notes:

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# Appraisal Review Checklist

## Government Transactions

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### Red flags

Occupancy is questionable in any respect.

The property seller is an LLC which acquired ownership after an institutional foreclosure or through a short sale.

The sale did not involve a real estate broker or the real estate salesperson is affiliated with the property seller.

The property seller or affiliated companies provide other services such as renovation or property management.

The property is in an unstable neighborhood that has foreclosures or short sales exceeding 25% of transactions.

Any property involved in a recent short sale.

A sales price exceeding the listing price when there are ample available properties in the area.

Dates or pricing suggest manipulated circumstances such as a contract date prior to property ownership or listing, or an increase in listing price after contract. Rapid appreciation is justified by renovations which, in fact, are cosmetic or repairs necessitated by damages to the property.

A refinance transaction with original financing not rated through the credit bureaus.