How to Review an Appraisal

The book designed to help you better evaluate the URARs that come across your desk
How to review a Residential Appraisal

Evaluating a residential appraisal is an important step in the loan process. Facts, figures, value estimates, property types, location, guidelines and forms all require your close attention. But it goes beyond that, for evaluating an appraisal is not an exact science. You need to use your experience, expertise and good judgment to evaluate and confirm that the property value is supported. In other words, evaluating an appraisal is an art. This booklet will help guide you in this process.

An appraisal report describes a property and estimates its value. The value estimates of the appraisal must be derived from logical appraisal methods that consistently reflect the property’s condition and characteristics.

There are a variety of appraisal reports for the various types of properties. This booklet focuses on the most commonly used appraisal form, the Uniform Residential Appraisal Report (URAR — Form 1004/Form 70), used to appraise one-unit properties (including an individual unit in a PUD project) based on an interior and exterior property inspection. This does not include manufactured homes or condominiums, which have their own forms — see the next page for a list of appraisal forms for properties outside the URAR’s definition.

Regardless of the form used, the purpose is the same: to substantiate the value of a property. For this reason, a thorough, accurate appraisal report is an essential part of the mortgage loan package.

This booklet is designed to help you better evaluate the URARs that come across your desk. It contains typical secondary market guidelines and cautionary items that will help you identify potential problems within an appraisal. By addressing these problems early in the loan process, you’ll save time for yourself and your borrower.

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

The information presented in these training materials is culled from a variety of business and mortgage industry sources. Attribution is given where deemed necessary. Opinions and insights expressed herein do not necessarily represent the views of MGIC.

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Other Available Agency Appraisal Report Forms

Exterior-Only Inspection Residential Appraisal Report (Form 2055) for an appraisal of a one-unit property (including an individual unit in a PUD project) based on an exterior-only property inspection.

Manufactured Home Appraisal Report (Form 1004C/70B) for an appraisal of a one-unit manufactured home (including a manufactured home in a PUD, condominium or cooperative project) based on an interior and exterior property inspection.

Individual Condominium Unit Appraisal Report (Form 1073/465) for an appraisal of an individual condominium unit based on an interior and exterior property inspection.

Exterior-Only Inspection Individual Condominium Unit Appraisal Report (Form 1075/466) for an appraisal of an individual condominium unit based on an exterior-only property inspection.

Individual Cooperative Interest Appraisal Report (Form 2090) for an appraisal of an individual cooperative unit based on an interior and exterior property inspection.

Exterior-Only Individual Cooperative Interest Appraisal Report (Form 2095) for an appraisal of an individual cooperative unit based on an exterior-only property inspection.

Small Residential Income Property Appraisal Report (Form 1025/72) for an appraisal of a two- to four-unit property (including a two- to four-unit property in a PUD, condominium or cooperative project) based on an interior and exterior property inspection.

Appraisal Update and/or Completion Report (Form 1004D/442) provides an accurate update of a prior appraisal and/or reports a certification.

One-Unit Residential Appraisal Desk Review Report (Form 1033) provides an opinion on the accuracy of the appraisal report under review.

One-Unit Residential Appraisal Field Review Report (Form 2000/1032) provides an opinion on the accuracy of the appraisal report under review.

Two- to Four-Unit Residential Appraisal Field Review Report (Form 2000A/1072) provides an opinion on the accuracy of the appraisal report under review.

The Uniform Residential Appraisal Report

Appraisers establish the value of a property based upon their opinion of a property's condition, quality and appeal, as it relates to the market. As you examine a Uniform Residential Appraisal Report (URAR), you should expect that negative comments, as well as any items out of the ordinary, are fully explained.

Cautionary Items:

Cautionary items to keep an eye out for on a URAR have been underlined within the text. For example, as you review an appraisal:

— The information on the front of the form should be consistent with the back.
— Unusual situations should be explained by the appraiser.
— Photographs should show that the subject property is similar to the comparables.

Appraisers must follow specific guidelines when appraising a home. When you review the URAR, make certain the appraiser has adhered to the following guidelines.

If you have any questions about these appraisal guidelines and cautionary items, please contact your MGIC Underwriting Service Center. We're happy to help.
The Uniform Residential Appraisal Report, Page 1

Property Description and Analysis

Cautionary items have been underlined within the text.

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.

IMPROVEMENTS

SITE

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

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

NEIGHBORHOOD

CONTRACT

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

Contract Price $ 430,000 Date of Contract 08/19/20XX Is the property seller the owner of public record? Yes No Data Source(s) County Recorder

Does the property currently offered for sale or has it been offered for sale in the previous 12 months, information on data source, prices and dates must be provided.

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

Property Rights Appraised X Fee Simple Leasehold Other (describe) Lender/Client ABC Financial Address 1512 Financial Street, Anytown, US 12345

Are the property rights appraised as fee simple, leasehold or other? Yes No If No, describe.

Legal Description Lot 7, River Bend PUD

Does the property have a legal description as Lot 7, River Bend PUD? Yes No If No, describe.

Property Rights – If property is subject to a lease, it must be determined whether the leasehold is the norm for the market. If not, effect on marketability must be fully explained.

Offering for Sale – If the subject is currently for sale or has been offered for sale in the previous 12 months, information on data source, prices and dates must be provided.

Price – Contract price, date and sale type (e.g., Non-Arms Length Sale, Short Sale, etc.) must be provided. An analysis of the contract for any unusual conditions of the sale must be completed and addressed, for example, if the sale type is Non-Arms Length, the appraiser needs to address whether the property seller was a family member, employer, etc.

Market Conditions (including support for the above conclusions)

Neighborhood

Present Land Use % –

D ▲ Property Location – Rural properties may require additional analysis due to lack of available comparables and limited utilities and services.

E ▲ Property Values – A property located in a neighborhood or general market area with declining property values represents a higher, possibly unacceptable risk because of the potential for a loss in borrower equity.

F ▲ Demand/Supply (Marketability) – A neighborhood with an oversupply of housing units may reflect problems with marketability.

H ▲ Predominant Value – Homes that fall outside the neighborhood price range or that are at the extreme high or low end of the range can be higher-risk properties. Example: A property valued at 90% or more of the highest property value in the neighborhood usually suffers from over-improvement and longer marketing times. Valuations at the extreme ends of the range should be thoroughly explained by the appraiser.

I ▲ Present Land Use % – Noncompatible land use — for example, a high percentage of commercial land usage — could negatively affect marketability; a strong residential base is important to overall neighborhood desirability.

G ▲ Marketing Time for similar properties should be less than six months. Slow real estate markets may reduce borrower equity and weaken a borrower’s motivation to cure a default.
Market Conditions and trends should be supported by statistical information.

Site

Zoning Compliance – Property may be zoned “residential.” Highest and best use as improved should be the present use. Nonresidential zoning may indicate adverse influences requiring explanation. Present improvements should conform to zoning regulations.

Utilities – Source and type of all utilities should be identified. Utilities that are abnormal for the area may cause the property to be high-risk.

Off-site Improvements – Private road maintenance should be identified, with further explanation if the condition or adequacy of a private road is not normal or typical.

Drainage / Flood Hazard – Any drainage problem or the existence of a flood hazard condition should be questioned. Such conditions or major problems may require physical correction or flood hazard insurance.

Adverse Site Conditions – Adverse site conditions that may affect the value or marketability of the property can be cause for concern, such as floods, easements, encroachments, environmental conditions, land uses or adverse view (e.g., industrial view or power lines, etc.)

Improvements

Look for physical features most like similarly-sized dwellings in the market area. If characteristics are not similar – a room list that is atypical for the market or heating that is unusual or not in good condition, for example — they may affect market appeal.

Condition of Improvements – If the condition rating (C1–G6) indicates the presence of incurable structural factors that decrease value, it may cause the property to be unacceptable. Curable structural problems may be approved under certain conditions when properly justified. See condition rating definitions on page 18.

After you’ve examined the report, review the Property Analysis Summary in the back of this booklet (page 29).
The Uniform Residential Appraisal Report, Page 2

The Valuation Process

Cautionary items have been underlined within the text.

Uniform Residential Appraisal Report

<table>
<thead>
<tr>
<th>FEATURE</th>
<th>SUBJECT</th>
<th>COMPARABLE SALE NO. 1</th>
<th>COMPARABLE SALE NO. 2</th>
<th>COMPARABLE SALE NO. 3</th>
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</thead>
<tbody>
<tr>
<td>1 Hill Court</td>
<td>Anytown, US 12345</td>
<td>680 Independence Lane</td>
<td>243 Apple Lane</td>
<td>814 Lafayette Place</td>
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<td>Sale Price</td>
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<td>$425,000</td>
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<td>MLS #724740;DOM 92</td>
<td>MLS #755130;DOM 102</td>
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<tr>
<th>VALUE ADJUSTMENTS</th>
<th>DESCRIPTION</th>
<th>G(+/-) $ Adjustment</th>
<th>DESCRIPTION</th>
<th>G(+/-) $ Adjustment</th>
<th>DESCRIPTION</th>
<th>G(+/-) $ Adjustment</th>
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<tr>
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<td>ArmLth</td>
<td>0</td>
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<td>N;Res;</td>
<td>N;Res;</td>
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<td>B;Woods;</td>
<td>N;Res;</td>
<td>N;Res;</td>
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<td>Actual Age</td>
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<td>FWA C/Air</td>
<td>FWA C/Air</td>
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<tr>
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<td>None</td>
<td>1,000</td>
<td>None</td>
<td>1,000</td>
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</table>

| Net Adjustment (Total) | $11,000 | $18,300 | $13,700 |
| Adjusted Sale Price of Comparables | Net Adj. 2.6% | $436,000 | Net Adj. 4.4% | $433,300 | Net Adj. -3.1% | $421,300 |

Sales Comparison Approach

A ▶ Listing and Sales Data – Information on current comparable listings and sales in the subject neighborhood needs to be provided.

B ▶ Comparable Sales – A minimum of three closed comparables are required for the market value analysis. If three are not available, appraiser to address. Comparables should be similar to the subject property.

C ▶ Location of Comparables – The three required comparables should be located within a reasonable distance of the appraised property or be fully explained.

D ▶ Source of Comparables – No more than one of the three required comparables may be supplied by the lender or developer from his/her own files, unless justified by the appraiser.

E ▶ Sales and Financing Concessions – A sales concession is usually a chattel item, such as a riding lawn mower, that is included by the seller to induce the sale. Deduct the value of the item from the sales price and appraised value if it has not been deducted by the appraiser.

A financing concession is usually an interest rate buydown or payment supplement provided by the seller. The appraiser should adjust for seller-paid contributions and subsidies.

Where seller contributions exceed the limits set forth above, the excess is treated as a sales concession. The excess amount will be deducted from both the purchase price and the appraised value.

F ▶ Comparable Sales vs Listings – All three comparables must be closed sales rather than open listings, accepted offers or contracts. As alternatives, listings, offers and contracts can help support value; however, they may not accurately reflect market value, since the details of the transaction could change prior to closing.
COMPARABLE SALE NO. 1

- Price of Prior Sale/Transfer: $387,000
- Date of Prior Sale/Transfer: 09/01/20XX
- Data Source(s): MLS, Tax Records

COMPARABLE SALE NO. 2

- Price of Prior Sale/Transfer: $375,000
- Date of Prior Sale/Transfer: 09/01/20XX
- Data Source(s): MLS, Tax Records

COMPARABLE SALE NO. 3

- Price of Prior Sale/Transfer: $436,000
- Date of Prior Sale/Transfer: 09/01/20XX
- Data Source(s): MLS, Tax Records

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

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

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

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).

- Date of Prior Sale/Transfer: 09/01/20XX
- Price of Prior Sale/Transfer: $387,000
- Data Source(s): MLS, Tax Records

Effective Date of Data Source(s)

- 09/01/20XX

The subject property last sold 3 years ago for $387,000. Per the listing Realtor the transaction was arms length after the property was on the market for 45 days. Sale 1 sold in the prior 12 months and sales 2 and 3 have not transferred in the prior 1 year.

Summary of Sales Comparison Approach

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

Indicated Value by Sales Comparison Approach $ 430,000

- Cost Approach (if developed) $430,000
- Income Approach (if developed) $0

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

This appraisal is made "as is," subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed.

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limitations conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is $ 430,000 as of 09/01/20XX, which is the date of inspection and the effective date of this appraisal.

Reconciliation

After you’ve examined the report, review the Property Analysis Summary in the back of this booklet (page 29).

G. Adjustments must be logical. The size of the adjustments indicates the extent of differences between the comparables and the subject property. Large adjustments should be fully explained. Beware of large adjustments for site/condition, design and appeal, quality of construction (Q1-Q6), age or condition (C1-C6). Appropriate comments and adjustments should support the ratings.

Adjustments must be consistent for all comparables. In general, the total gross adjustments should not exceed 25% of the sales price and the total net adjustments should not exceed 15%. Excessive adjustments should be typical for the market and commented on by the appraiser.

One-directional adjustments need further explanation. Property value may be inflated when all of the comparables are significantly superior or inferior to the subject property. When all of the adjustments are positive or are all negative, the valuation may be in question.

If a feature/aspect of the subject property differs from that of a comparable property, and the appraiser determines no adjustment is warranted, the appraiser enters zero (0) in the adjustment line to indicate the difference was considered and no adjustment should be made.

H. Personal Property / Options – Furniture, fixtures and other personal property cannot be included in the market value of a property. Additional builder options on newly constructed properties should be reviewed carefully. For example, if the subject has $5,000 in options, such as upgraded wall coverings, carpeting and built-ins, the appraiser must be careful that the costs of these items are truly reflected in the resale market. Often the options do not recapture dollar-for-dollar cost in market value. At least one comparable sale should have options or extras similar to the subject’s.

J. Prior Sales / Listing Activity – Appraiser must identify and describe prior sales and listing activity for the last 36 months for the subject and the last 12 months for the comparables. Adverse value trends need to be identified and explained.

J. Certification of Appraisal and Final Value – Appraisals with an effective date older than 120 days but within 12 months of the note date must be recertified for current value. This time frame may vary, check your investor guidelines. The final value must be reflective of the most reliable sales data, not an average of the three comparables.
The Valuation Process

Cautionary items have been underlined within the text.

Clarification of Intended Use and Intended User:

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

Clarification of the term "complete visual inspection":

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

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

Use of Cost Approach for Insurance Purposes:

Replacement cost figures used in developing the cost approach are for valuation purposes only. No one, client or third party, should rely on these figures for insurance purposes. The definition of "market value" on page four of this form is not consistent with definitions of "insurable value." Actual reconstruction costs can easily exceed the replacement cost figures used in this appraisal.
After you’ve examined the report, review the Property Analysis Summary in the back of this booklet (page 29).
This report form is designed to report an appraisal of a one-unit
unit in a planned unit development (PUD). This report form is not
in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, inter
assumptions and limiting conditions, and certifications. Modifies
definition of market value, or assumptions and limiting conditions as to
include any additional research or analyses necessary based on detec
tions to the certifications are also not permitted. However, I further
certify that I considered the cost and income approaches to value but did not develop them, unless otherwise
indicated in this report.

SCOPE OF WORK: The scope of work for this appraisal is defined
reporting requirements of this appraisal report form, including the fi
and limiting conditions, and certifications. The appraiser must complete the
interior and exterior areas of the subject property, (2) inspect the ne
street; (4) research, verify, and analyze data from reliable
opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for th
appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the

DEFINITION OF MARKET VALUE: The most probable price which
under all conditions requisite to a fair sale, the buyer and seller, are
not affected by undue stimuli. Implicit in this definition is the fact that
the factor prices in virtually all sales are
made to the comparable property by comparisons to financing terms
involved in the property or transaction. Any adjustment should not
automatically be made for any adjustment or
concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:
following assumptions and limiting conditions:
1. The appraiser will not be responsible for matters of a legal
nature to it, except for information that he or she became aware of during
appraiser assumes that the life is good and marketable and will
2. The appraiser has provided a sketch in this appraisal report to
sketch is included only to assist in visualizing the property.
3. The appraiser has examined the available flood maps that are
other data sources) and has noted in the appraisal report whether a
Flood Hazard Area. Because the appraiser is not a surveyor, he or she
4. The appraiser will not give testimony or appear in court because
unless specific arrangements to do so have been made beforehand.
5. The appraiser has noted in this appraisal report any adverse or
hazardous wastes, toxic substances, etc.) observed during the
research involved in performing this appraisal. Unless of
knowledge of any hidden or unperceived physical deficiencies or art
needed repairs, deterioration, the presence of hazardous wastes, it
would make the property less valuable, and has assumed that these
warranties, express or implied. The appraiser will not be responsible
for any modification to the assumptions and limiting conditions, and environmental hazards, this appraisal report must not be consid
6. The appraiser has based his or her appraisal report and value
comparisons, and alterations on the assumption that the costs
performed in a professional manner.

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 liability,
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
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 are 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's value, and have reported on the effect of the conditions on the value and marketability of the subject
property.
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
relayed in this appraisal report other 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's 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 compensation for performing this appraisal report 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
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).
18. My employment and/or compensation for performing this appraisal report 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
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 or other report related to this appraisal report. I am solely responsible for the accuracy of this
appraisal report.
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 mortgagees or its assigns 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
supervisor 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).
After you've examined the report, review the Property Analysis Summary in the back of this booklet (page 29).
Exterior Photographs of the Subject Property

Front View of the Subject Property

Rear View of the Subject Property

Street Scene of the Subject Property

Notes:

________________________________________________________________________

________________________________________________________________________

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Shed
Photographs of the Comparable Sales

Comparable Sale #1

Comparable Sale #2

Comparable Sale #3
Interior Photographs of the Subject Property

Living Room  Dining Room  Kitchen
Master Bedroom  Master Bathroom  Family Room
Subject Property Floorplan

Borrower  Mr. and Mrs. Homeowner  
Property Address  1 Hill Court  
City  Anytown  State  US  Zip  12345  
Lender/Client  ABC Financial

**AREA CALCULATIONS SUMMARY**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Size</th>
<th>Totals</th>
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<tbody>
<tr>
<td>GLA1</td>
<td>First Floor</td>
<td>1347.40</td>
<td>1347.40</td>
</tr>
<tr>
<td>GLA2</td>
<td>Second Floor</td>
<td>1223.10</td>
<td>1223.10</td>
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<tr>
<td>P/P</td>
<td>Deck</td>
<td>700.00</td>
<td>700.00</td>
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<tr>
<td>GAR</td>
<td>Garage</td>
<td>640.60</td>
<td>640.60</td>
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</table>

**TOTAL LIVABLE (rounded)**

- **First Floor**
  - 2.4 x 6.0
  - 11.0 x 5.5
  - 15.0 x 45.3
  - 2.0 x 21.5

- **Second Floor**
  - 27.0 x 45.3

**LIVING AREA BREAKDOWN**

<table>
<thead>
<tr>
<th>Breakdown</th>
<th>Subtotals</th>
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<tr>
<td>First Floor</td>
<td>14.40</td>
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<tr>
<td>610.50</td>
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<tr>
<td>679.50</td>
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<td>43.00</td>
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<tr>
<td>1223.10</td>
<td></td>
</tr>
<tr>
<td>2571</td>
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</tr>
</tbody>
</table>

**5 AREAS TOTAL (rounded)**

- **TOTAL LIVABLE (rounded)**
  - 2571
Subject Property Location Map

Borrower: Mr. and Mrs. Homeowner
Property Address: 1 Hill Court
City: Anytown
State: US
Zip: 12345
Lender/Client: ABC Financial

Comparable #1, 680 Independence Ln.
Comparable #2, 243 Apple Ln.
Comparable #3, 814 Lafayette Pl.
## Uniform Appraisal Dataset Definitions

### Condition Ratings and Definitions

<table>
<thead>
<tr>
<th>Condition</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.*</td>
</tr>
<tr>
<td>C2</td>
<td>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 either are almost new or have been completely renovated and are similar in condition to new construction.</td>
</tr>
<tr>
<td>C3</td>
<td>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.</td>
</tr>
<tr>
<td>C4</td>
<td>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.</td>
</tr>
<tr>
<td>C5</td>
<td>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.</td>
</tr>
<tr>
<td>C6</td>
<td>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.</td>
</tr>
</tbody>
</table>

*Note: Newly constructed improvements that feature recycled materials and/or components can be considered as new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered “new” if they have any significant physical depreciation (i.e., newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep). |

### Quality Ratings and Definitions

<table>
<thead>
<tr>
<th>Quality</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>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.</td>
</tr>
</tbody>
</table>
**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**
The number of full and half baths is reported by separating the two values by a period. The full bath is represented to the left of the period. The half bath count is represented to the right of the period. Three-quarter baths are to be counted as a full bath in all cases. Quarter baths (baths that feature only toilet) are not to be included in the bathroom count.
## Uniform Appraisal Dataset Definitions

**Abbreviations Used in Data Standardization Text**

<table>
<thead>
<tr>
<th>Abbrev.</th>
<th>Full Name</th>
<th>Appropriate Fields</th>
</tr>
</thead>
<tbody>
<tr>
<td>ac</td>
<td>Acres</td>
<td>Area, Site</td>
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<tr>
<td>AdjPrk</td>
<td>Adjacent to Park</td>
<td>Location</td>
</tr>
<tr>
<td>AdjPwr</td>
<td>Adjacent to Power Lines</td>
<td>Location</td>
</tr>
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<td>A</td>
<td>Adverse</td>
<td>Location &amp; View</td>
</tr>
<tr>
<td>ArmLth</td>
<td>Arms Length Sale</td>
<td>Sale or Financing Concessions</td>
</tr>
<tr>
<td>AT</td>
<td>Attached Structure</td>
<td>Design(Style)</td>
</tr>
<tr>
<td>ba</td>
<td>Bathroom(s)</td>
<td>Basement &amp; Finished Rooms Below Grade</td>
</tr>
<tr>
<td>br</td>
<td>Bedroom</td>
<td>Basement &amp; Finished Rooms Below Grade</td>
</tr>
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<td>B</td>
<td>Beneficial</td>
<td>Location &amp; View</td>
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<tr>
<td>BsyRd</td>
<td>Busy Road</td>
<td>Location</td>
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<td>cp</td>
<td>Carport</td>
<td>Garage/Carport</td>
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<td>Cash</td>
<td>Cash</td>
<td>Sale or Financing Concessions</td>
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<td>CtySky</td>
<td>City View</td>
<td>Skyline View View</td>
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<tr>
<td>CtyStr</td>
<td>City Street View</td>
<td>View</td>
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<td>Comm</td>
<td>Commercial Influence</td>
<td>Location</td>
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<tr>
<td>c</td>
<td>Contracted Date</td>
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<td>Conv</td>
<td>Conventional</td>
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<td>Court Ordered Sale</td>
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<td>DOM</td>
<td>Days On Market</td>
<td>Data Sources</td>
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<td>Detached Structure</td>
<td>Design(Style)</td>
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<td>Driveway</td>
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<td>Estate Sale</td>
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<td>Expiration Date</td>
<td>Date of Sale/Time</td>
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<td>Golf Course View</td>
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<td>High Rise Structure</td>
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<td>ind</td>
<td>Industrial</td>
<td>Location &amp; View</td>
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<td>Interior Only Stairs</td>
<td>Basement &amp; Finished Rooms Below Grade</td>
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<td>Limited Sight</td>
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<td>Neutral</td>
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<td>Other</td>
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<td>O</td>
<td>Other</td>
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<td>Pastoral View</td>
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<td>PwrLn</td>
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<td>Public Transportation</td>
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<td>rr</td>
<td>Recreational (Rec) Room</td>
<td>Basement &amp; Finished Rooms Below Grade</td>
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<td>Relocation Sale</td>
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<td>Row or Townhouse</td>
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<td>Semi-detached Structure</td>
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<td>Square Meters</td>
<td>Area, Site, Basement</td>
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<td>Unknown</td>
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### Other Appraiser-Defined Abbreviations

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<th>Abbrev.</th>
<th>Full Name</th>
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</tbody>
</table>
Definitions

Actual Age ➤ The number of years since the structure was originally built (chronological age).

Adjustments ➤ The amount added to or subtracted from the sales prices of comparable properties to obtain an adjusted sales price that more accurately reflects the subject property's value.

Sales price of comparable sale
+ Market value of features found in subject property but not in comparable sale
— Market value of features found in comparable sale but not in subject property
= Indicated value of subject property

Cost Approach ➤ A valuation process based on the premise that an informed homebuyer would pay no more for a property than the cost of producing a similar property with equal utility.

Estimated site value
+ Estimated reproduction/replacement cost of new improvements
— Estimate of all elements of accrued depreciation (physical, functional, external)
+ Present worth of site improvements
= Indicated value by cost approach

Effective Age ➤ The age of a building based on its conditions and modifications. A home that is well-cared for would have an effective age less than its actual age; whereas a home that was neglected would have an effective age greater than its actual age.

External Depreciation ➤ A loss in value caused by negative influences beyond the site itself — such as economic factors or environmental changes. The value of external depreciation is obtained from the market by comparing two similar properties, with the exception that one sale is influenced by a factor outside the subject property (e.g., high-voltage overhead electric transmission lines) and one sale is not.

Fee Simple ➤ Homeownership without limitations or restrictions, but subject to governmental actions (e.g., eminent domain).

Financing Concessions ➤ Fees paid by the seller to facilitate a transaction. If the financing concession is not typical for the local market, the sales price of a comparable sale may have to be adjusted.

Functional Depreciation ➤ A loss in value caused by defects in the design of a structure or by changes in market preferences that results in some aspect of a property being considered obsolete by current standards. The value of functional depreciation is based on the attitudes and reflections of prudent homebuyers in the marketplace.

Gross Rent Multiplier (GRM) ➤ The relationship or ratio between the sales price of a property and its gross monthly income. It is used to estimate value for rental properties.

Sales price
÷ Gross monthly rental
= Gross rent multiplier (GRM)

Improvements ➤ Everything except the land itself, such as the home, garage, sewers and other items people attach to the land.

Income Approach ➤ A valuation process that is based on the proposition that an informed homebuyer would pay no more for a property than the cost to obtain a return of income of the same amount.

Estimated monthly market rent
x Gross rent multiplier (GRM)
= Indicated value by income approach

Appraisal Report ➤ A dated, written statement that reflects and supports the value estimate of a property based on a qualified appraiser's analysis of relevant market information.

Appraised Value ➤ An appraiser’s opinion based on an interpretation of facts and judgments. These facts and judgments are processed into an estimate of property value as of a stated date.

Chattel ➤ A tangible, movable or immovable property that is not attached to the real estate, e.g., swing set.

Comparable Sale ➤ A competitive property with characteristics similar to those of a subject property and recently sold on the local market.

Condominium ➤ A real estate project in which each unit owner has title to a unit in a building, an undivided interest in the common areas of the project and, where applicable, the exclusive use of limited common areas.
Leasehold Estate ▶ A form of ownership wherein the lessee does not actually own the property. Instead, the lessee has a recorded, long-term lease to it.

Market Price/Sales Price ▶ The amount actually paid for a property.

Market Value ▶ The most probable price for which a property should sell in a competitive and open market. All conditions necessary to a fair sale must be adhered to. For example, the buyer and seller must act prudently and knowledgeably; and the price must not be affected by undue stimulus.

Paired Sales Analysis ▶ A method of estimating the value of adjustments for the presence or absence of any feature(s). The estimation is done by pairing the sales prices of otherwise identical properties with and without the feature(s) in question.

Physical Depreciation ▶ A loss in value that is caused by deterioration in the physical condition of a property’s improvements due to wear and tear, disintegration, or action of the elements. The amount of physical depreciation equals the cost to correct the condition (e.g., replace worn-out carpeting) and/or the amount of wear and tear that has occurred (e.g., the amount of wear on the walls and foundation of a 50-year-old property).

PUD (Planned Unit Development) ▶ A real estate project in which each unit owner has title to a residential lot and building and a nonexclusive easement on the common areas of the project. Each owner may have an exclusive easement over some parts of the common areas.

Reconciliation ▶ The process in the appraisal by which the appraiser reconciles the estimates of value received from the sales comparison, cost and/or income approach to arrive at a final estimate of market value for the subject property.

Remaining Economic Life ▶ The number of years over which the structure is expected to continue to contribute to the total value of the property.

Sales Comparison Approach ▶ A valuation process based on the proposition that an informed homebuyer would pay no more for a property than the cost to acquire an existing property with the same utility.

\[
\text{Sales price of comparable sales} + \text{Adjustments} = \text{Indicated value by sales comparison approach}
\]
# Appraisal Report Checklist

This checklist is designed to help you review the following appraisal reports: Uniform Residential and Manufactured Home. Checklist answers printed in color designate cautionary items that may require additional comment by an appraiser and further review.

### Borrower Name:

### Subject Property Address:

<table>
<thead>
<tr>
<th>Subject Section</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do the property address and seller/borrowers' names match the loan file?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>2. Is the buyer or seller an LLC or Corporation?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3. Are there any Special Assessments?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>4. How are the property rights appraised?</td>
<td>Fee Simple</td>
<td>Leasehold</td>
</tr>
<tr>
<td>5. Has the subject property been offered for sale in the past 12 months?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contract Section</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Did appraiser analyze the contract (if applicable)?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>7. Is the contract an arms length sale?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>8. Does the owner of public record match the seller names on the contract?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>9. Is there any financial assistance being paid by any party on behalf of the borrower?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>10. If manufactured home, did the appraiser review the manufacturer's invoice?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Neighborhood Section</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>11. Is the location rural or less than 25% built up?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>12. Are property values declining?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>13. Does demand/supply reflect an oversupply?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>14. Is the marketing time more than six months?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>15. Is the sales price within the neighborhood price range?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>16. Does the subject property conform to the present land use?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>17. Are there any negative comments in the Neighborhood section?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HUD Data Plate (Manufactured Home Appraisal Report)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>18. Is the HUD Data Plate/Compliance Certificate attached to the dwelling?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>19. Is a HUD Certificate label attached to the exterior of each section of the dwelling?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>20. Do the Wind, Roof Load and Thermal Zone meet minimum HUD requirements for the location of the subject property?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Site Section</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>21. Is the zoning rated legal nonconforming or illegal?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>22. Is the present use the highest and best use?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>23. Are the Utilities and/or Off-Site Improvements public?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>24. Is the property in a Special Flood Hazard area?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>25. Are there any adverse comments, (e.g., environmental conditions, land uses, easements, view, etc.) in the Site section?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>26. Are the site size, shape and topography generally conforming and acceptable in market area?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>27. Is there adequate vehicular access to subject property?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>28. Is the street properly maintained?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Question</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-----</td>
<td>----</td>
</tr>
<tr>
<td>29] Does the Condition Rating of C1-C6 meet guidelines or investor criteria?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>30] Are there any comments indicating adverse property conditions (e.g., settlement, dampness, repairs, etc.)?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>31] Are there any physical deficiencies or adverse conditions that affect the livability, soundness or structural integrity of the property?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>32] Does the property conform to the neighborhood?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>33] If manufactured home, does the Design (style) indicate the number of sections as one?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>34] Does the Quality Rating of Q1-Q6 meet guidelines or investor criteria?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>35] Are the comparable sales located within an acceptable distance from the subject?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>36] Is the sales price/gross living area for the subject property consistent with the comparable sales?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>37] Did the appraiser use only data or verification sources that are non-public or non-MLS such as builder or developer?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>38] Are there three comparable sales that have closed within the last six months or appropriate time frame for current market conditions?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>39] Did the appraiser select a rating and factor for both location and view?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>40] Are the comparables similar to the subject in location, design, age, size, room count and amenities?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>41] Did the appraiser explain and support with market data any superior comparable sales?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>42] If the subject property is in a controlled market is there at least one comparable sale outside the control of the developer, builder or property seller?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>43] If the subject property is a manufactured home are there a minimum of two comparable sales that are also manufactured homes with similar features including overall quality and condition?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>44] If the subject has unusual features did the appraiser provide additional comparable sales with similar characteristics?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>45] Did the appraiser provide comments to support the market value conclusions provided in the report?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>46] Did the appraiser provide an appropriate explanation for any findings that show a significant or unusual variance between the subject property and comparables (e.g., unique design of home, subject’s sales price much lower than comparables)?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>47] Is the appraisal made &quot;as is&quot;?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>48] Is the appraisal less than four months old?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>49] Does the appraised value support the sales price?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>50] Are there any negative comments?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>51] Is the land-to-value ratio typical for the area?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>52] Is functional and/or external depreciation indicated?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>53] Is developer/builder in control of the Homeowner’s Association (HOA)?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>54] Was the project created by conversion of an existing building(s) into a PUD?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>55] Does the project contain any multi-dwelling units?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>56] Are the units/common elements and recreation facilities complete?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>57] Are the common elements leased to or by the Homeowner’s Association?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Exhibit</td>
<td>Description</td>
<td>Yes</td>
</tr>
<tr>
<td>---------</td>
<td>------------------------------------------------------------------------------</td>
<td>-----</td>
</tr>
<tr>
<td>58</td>
<td>Did the appraiser provide photographs of the subject property’s kitchen, bathrooms and main living area?</td>
<td></td>
</tr>
<tr>
<td>59</td>
<td>Does the appraisal contain clear photos of the front, back and street scene of the subject property and the front of each comparable sale?</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td>Are the photographs in color and clean?</td>
<td></td>
</tr>
<tr>
<td>61</td>
<td>Did the photographs show items described such as railroad tracks, powerlines, etc.?</td>
<td></td>
</tr>
<tr>
<td>62</td>
<td>Do the photographs of the subject property reflect weather consistent with date of appraisal?</td>
<td></td>
</tr>
<tr>
<td>63</td>
<td>Did appraiser comment if photo is not consistent with weather conditions?</td>
<td></td>
</tr>
<tr>
<td>64</td>
<td>Is there a street map that identifies the locations of the subject and comparable sales?</td>
<td></td>
</tr>
<tr>
<td>65</td>
<td>Does the building sketch differ from the bedroom and bath counts in the body of the appraisal?</td>
<td></td>
</tr>
<tr>
<td>66</td>
<td>Do the photos of the subject and comparables reflect similar design and appeal?</td>
<td></td>
</tr>
<tr>
<td>67</td>
<td>Do any of the exhibits include adverse comments?</td>
<td></td>
</tr>
</tbody>
</table>

**Exhibits**

**Appraiser's Certification**

<table>
<thead>
<tr>
<th>Exhibit</th>
<th>Description</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>68</td>
<td>Is the appraisal signed and dated and is the Appraiser Certification or License number and expiration date entered?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The MGIC Appraisal Report Checklist is designed to assist you in analyzing appraisals. The Checklist is not intended, nor should it be relied upon, as all-inclusive. Refer to Investor or Agency Guidelines for specific appraisal requirements. Use of the Checklist does not guarantee the accuracy of any appraisal, that an appraisal will satisfy applicable requirements or that any loan will be approved for purchase, mortgage insurance or other purposes. The Checklist is not intended as legal advice. MGIC EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. MGIC AND ITS AFFILIATES WILL NOT BE LIABLE FOR ANY DAMAGES OF ANY KIND ARISING FROM USE OF THE CHECKLIST.

Checklist completed by | Date

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**Property Analysis Summary**

1 Hill Court Observations and Findings

Below are some areas of the appraisal at 1 Hill Court the appraiser emphasized to help the reader understand how the final value of $430,000 was determined. Please review the appraisal and the appraiser’s observations below. Then ask yourself: are there any areas of the appraisal you may want resolved or clarified before accepting the final estimated value of $430,000?

| Site | Subject lot is 1.25 acres, whereas the comparable lots are .75 to 1.10 acres. A site adjustment was made to Comparable 1 for its smaller lot size. |
| View | Subject benefits from a superior wooded view, as does Comparable 3. Adjustments for view were made to Comparables 1 and 2 for inferior view. |
| Improvements | Subject has 2,571 square feet of gross living area (GLA). Appraiser noted subject kitchen was newly remodeled, the bathrooms were recently updated and the property is well maintained. Subject has a 700 square-foot deck and a 10x12 garden shed. |
| Sales Comparables | • Appraiser used a total of 3 comparable sales; all were from the subject’s immediate market area and closed within the last six months  
• Comparable 1 is in closest proximity to the subject and received adjustments for inferior site; $5,000 and view; $5,000  
• Comparable 2 received adjustments for inferior view; $5,000, condition; $6,000, GLA; $5,300 and patio; $1,000  
• Comparable 3 received negative adjustments for sales concessions; $4,000, superior bath amenity; $2,500, GLA; $5,200 and new energy efficient windows; $3,000  
• Minimal adjustments made to each comparable for lack of a garden shed  
• Appraiser commented Comparable 1 had the least amount of adjustments and was most similar in GLA; adjusted value for Comparable 1 was $436,000. Comparable 2 was most similar in lot size and its adjusted value was $433,300. Comparable 3 was the most recent sale; similar in lot size and GLA and its adjusted value was $421,300. |