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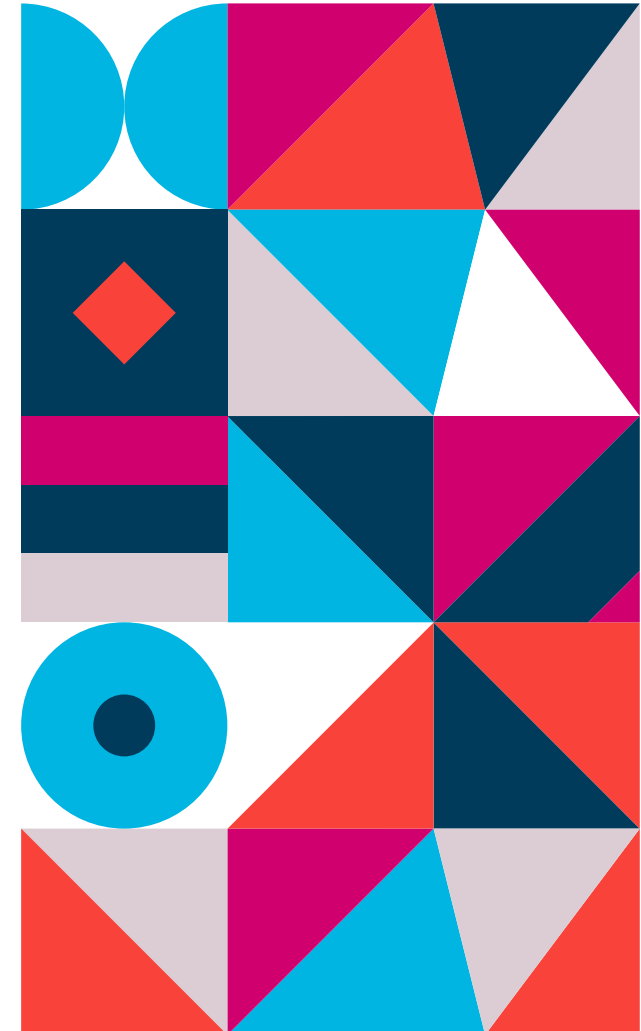
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Appraisal Review

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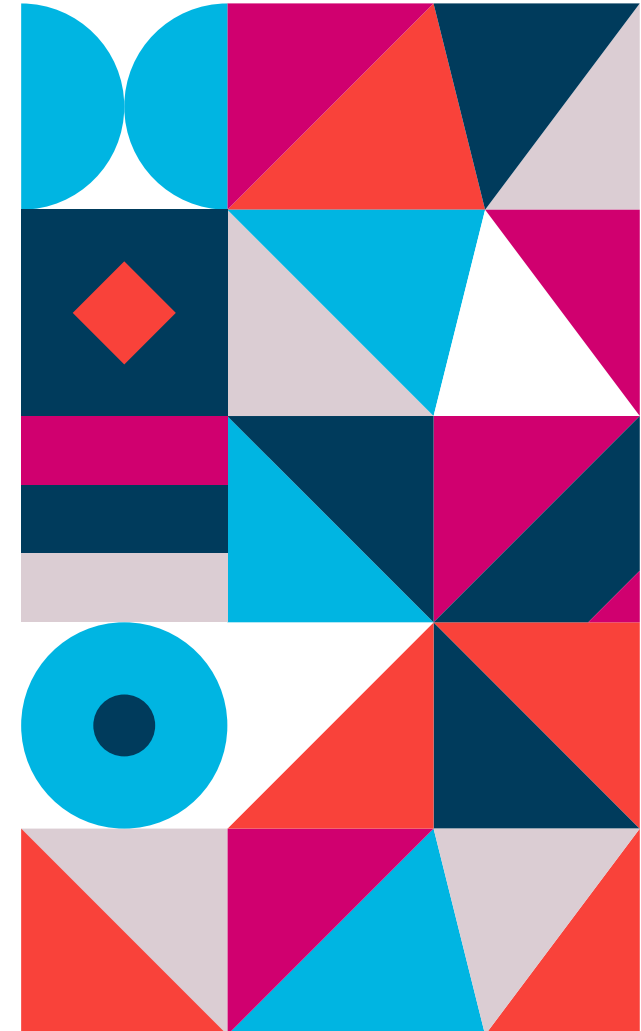
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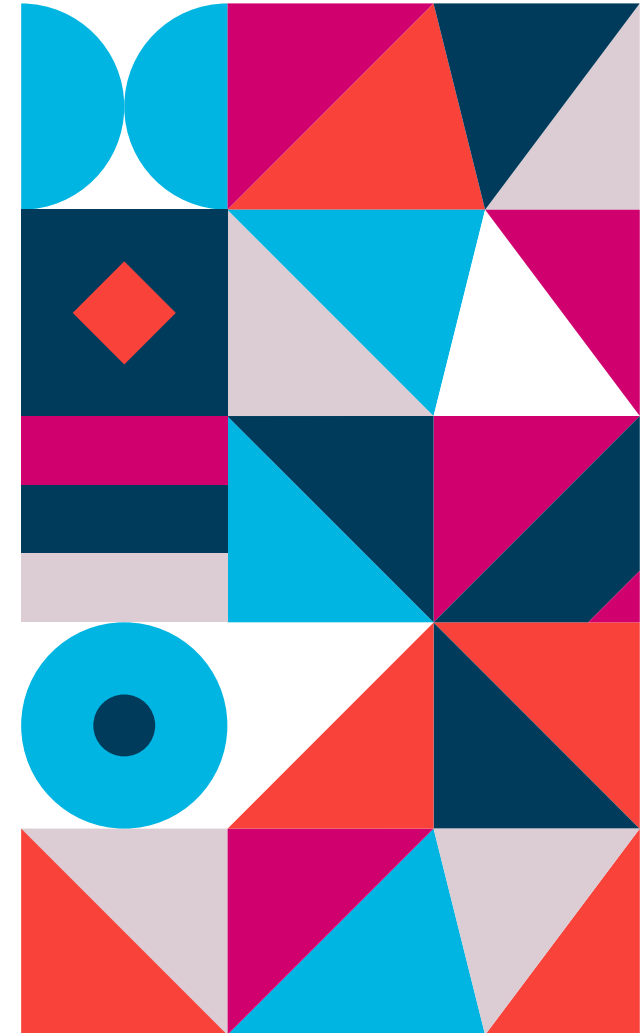
Agenda

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



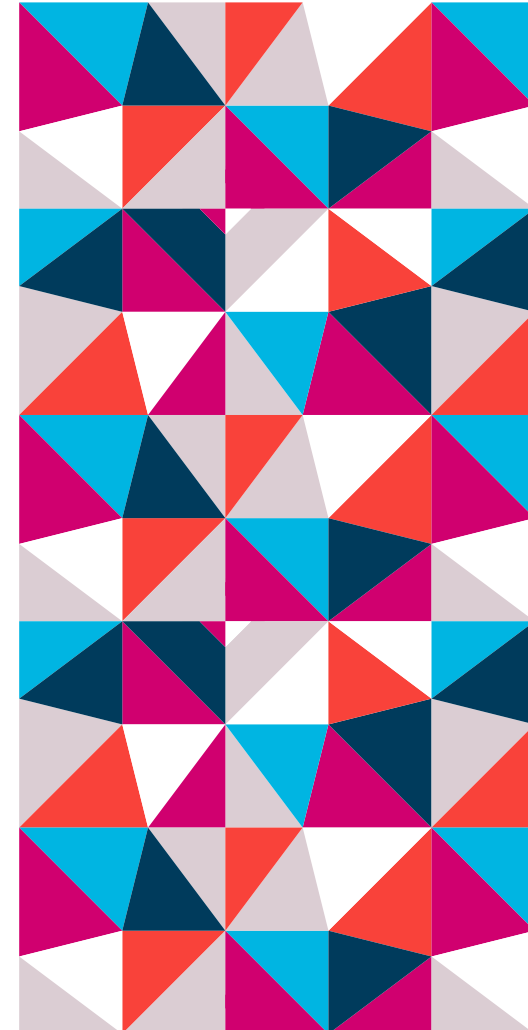
Purpose of an Appraisal

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



Appraiser's responsibilities

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

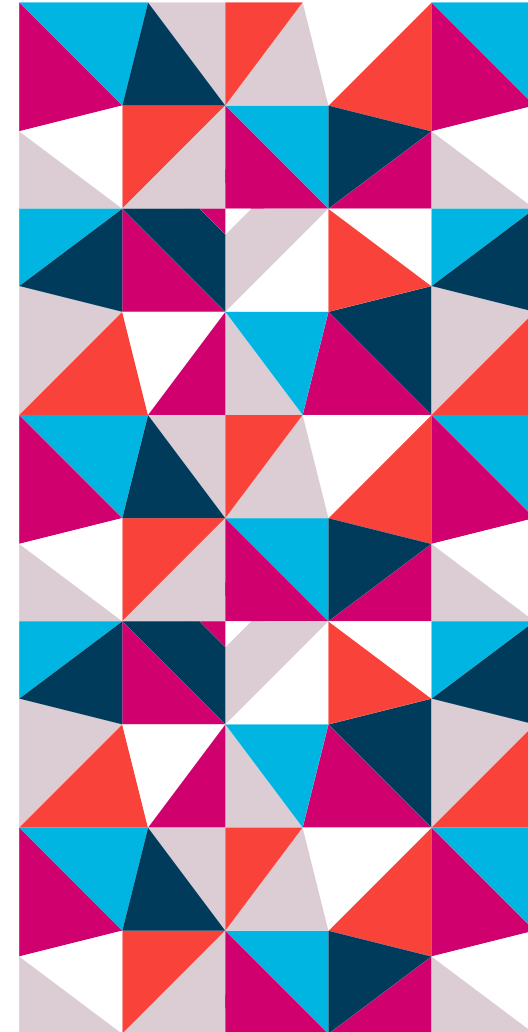


Reviewer's responsibilities

- Focus: the lender's risk
- Determine property's acceptability as security
 - Value
 - Condition
 - Marketability
 - Eligibility
- Obtain complete appraisal
- Obtain sufficient documentation



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Valuation assistance

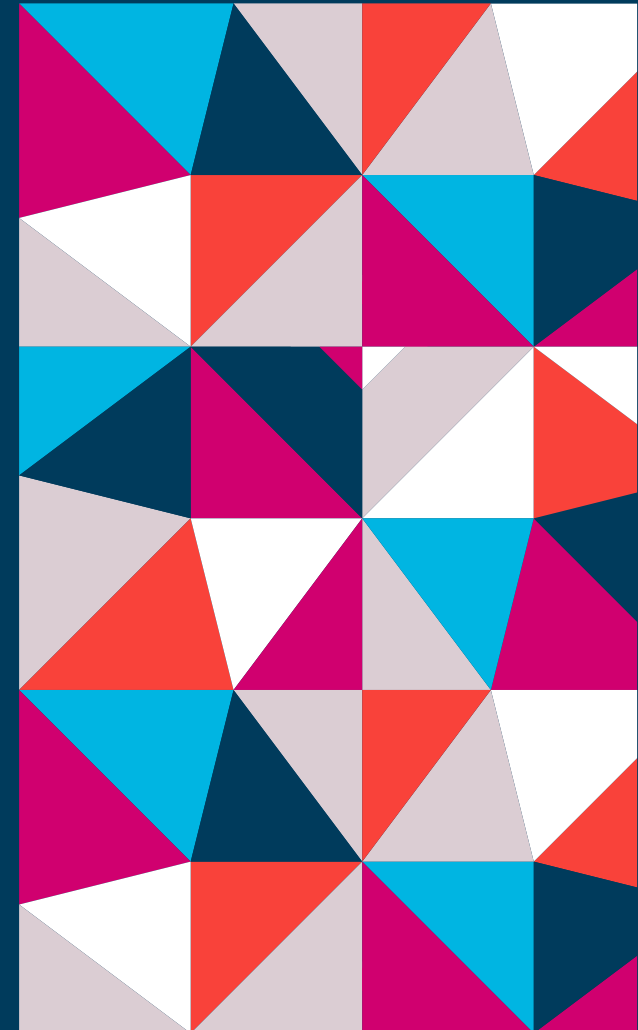
Collateral Representation & Warranty Relief

Fannie Mae

- Collateral Underwriter (“CU”)
 - CU Risk Score
- Appraisal Waiver

Freddie Mac

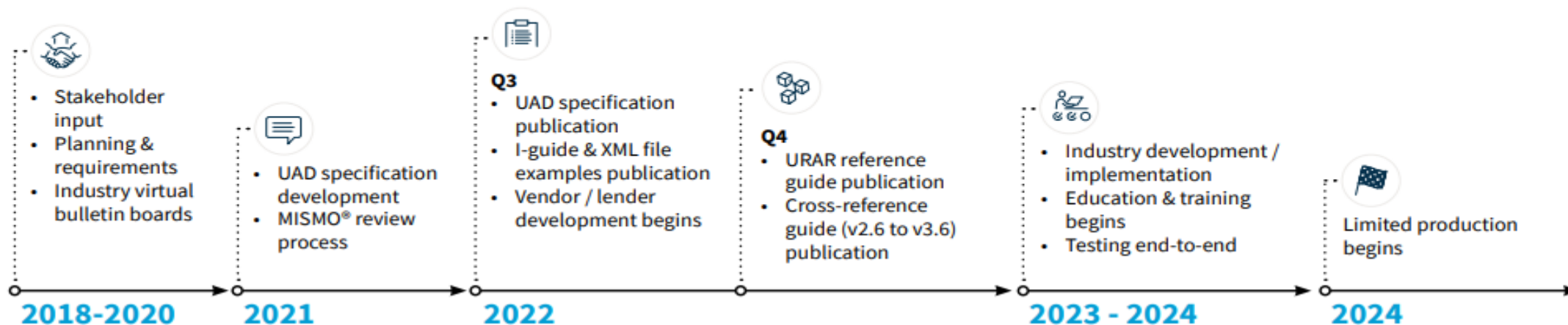
- Loan Collateral Advisor
 - Loan Collateral Advisor Risk Score
- Automated Collateral Evaluation (ACE)



Appraisal Update Project



Uniform Appraisal Dataset (UAD) and Forms Redesign Timeline*



* Dates are subject to change as this multi-year industry project progresses.

Appraisal forms

Property type	Fannie Mae Form #	Freddie Mac Form #	Type of inspection
1-Unit (includes PUD)	1004	70	Interior and exterior
	2055	2055	Exterior-Only
Manufactured Home	1004C	70B	Interior and exterior
Condominium	1073	465	Interior and exterior
	1075	466	Exterior-Only
Cooperative	2090	NA	Interior and exterior
	2095	NA	Exterior-Only
2- to 4-Unit	1025	72	Interior and exterior

Complete appraisal

Page 1

- All about the subject property

Page 2

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

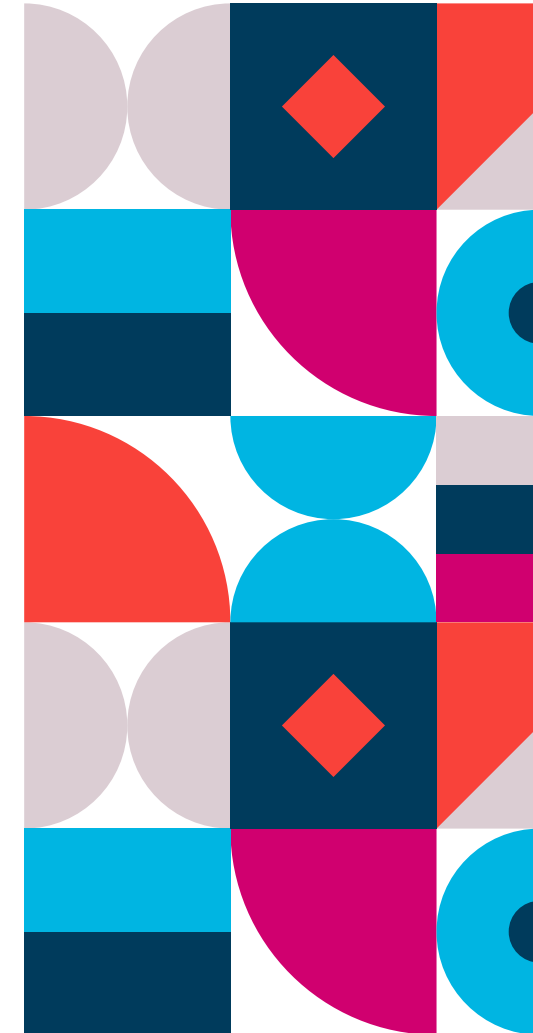
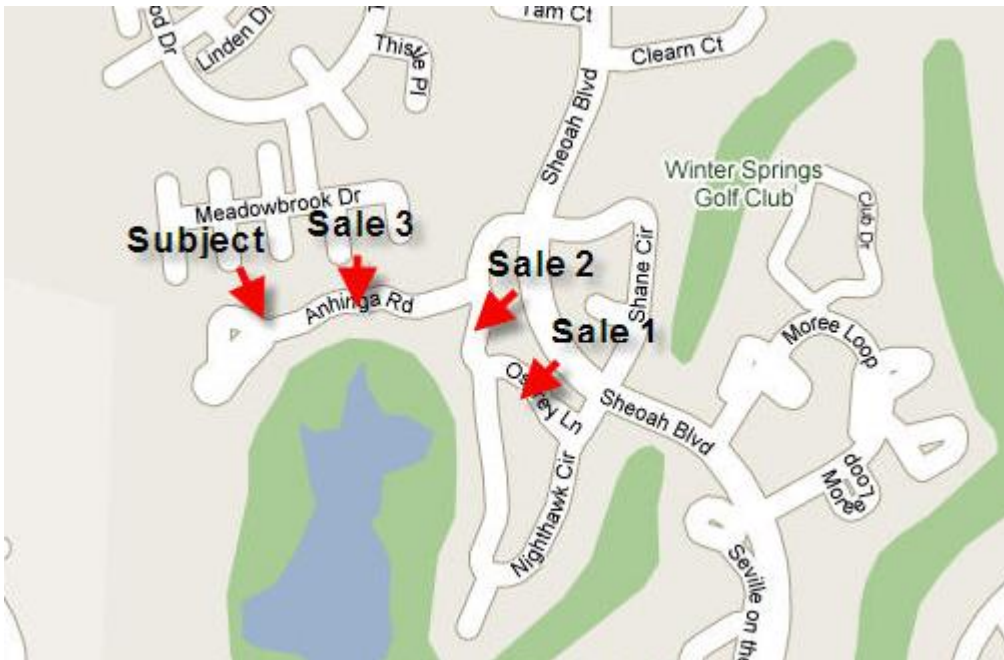
Page 3

- Commentary/explanations from appraiser
- Cost approach

Pages 4–6

- Official disclosures/disclaimers
- Appraisal signature/licensure info

Appraisal attachments



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What do you think?

What interior photos are required for the subject property?



Appraisal Report Checklist

Borrower Name: _____

Subject Property Address: _____

Subject ▶

Subject Section ▶

- 1] Do the property address and seller/borrowers' names match the loan file? Yes No
- 2] Is the buyer or seller an LLC or Corporation? Yes No
- 3] Are there any Special Assessments? Yes No
- 4] How are the property rights appraised? Fee Simple Leasehold Other
- 5] Has the subject property been offered for sale in the past 12 months? Yes No

Contract ▶

Contract Section ▶

- 6] Did appraiser analyze the contract (if applicable)? Yes No
- 7] Is the contract an arms length sale? Yes No
- 8] Does the owner of public record match the seller names on the contract? Yes No
- 9] Is there any financial assistance being paid by any party on behalf of the borrower? Yes No
- 10] If *manufactured home*, did the appraiser review the manufacturer's invoice? Yes No

Neighborhood ▶

Neighborhood Section ▶

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

HUD Date Plate ▶

HUD Data Plate (Manufactured Home Appraisal Report) ▶

- 18] Is the HUD Data Plate/Compliance Certificate attached to the dwelling? Yes No
- 19] Is a HUD Certificate label attached to the exterior of each section of the dwelling? Yes No
- 20] Do the Wind, Roof Load and Thermal Zone meet minimum HUD requirements for the location of the subject property? Yes No

Site ▶

Site Section ▶

- 21] Is the zoning rated legal nonconforming or illegal? Yes No
- 22] Is the present use the highest and best use? Yes No
- 23] Are the Utilities and/or Off-Site Improvements public? Yes No
- 24] Is the property in a Special Flood Hazard area? Yes No
- 25] Are there any adverse comments, (e.g., environmental conditions, land uses, easements, view, etc.) in the Site section?
If *Manufactured Home* ▶ Yes No
- 26] Are the site size, shape and topography generally conforming and acceptable in market area? Yes No
- 27] Is there adequate vehicular access to subject property? Yes No
- 28] Is the street properly maintained? Yes No

Form 1004

Page 1

Subject ▶

Contract ▶

Neighborhood ▶

Site ▶

Improvements ▶

Uniform Residential Appraisal Report						File #
The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.						
Property Address		City		State		Zip Code
Borrower			Owner of Public Record		County	
Legal Description						
Assessor's Parcel #		Tax Year		R.E. Taxes \$		
Neighborhood Name			Map Reference		Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant		Special Assessments \$		<input type="checkbox"/> PUD	HOA \$	<input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)						
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)						
Lender/Client						
Address						
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No						
Report data source(s) used, offering price(s), and date(s).						
I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.						
Contract Price \$						
Date of Contract		Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s)				
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No						
If Yes, report the total dollar amount and describe the items to be paid.						
Note: Race and the racial composition of the neighborhood are not appraisal factors.						
Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing	Present Land Use %	
Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit		
Build-Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit		
Growth <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	Low	Multi-Family			
Neighborhood Boundaries		High	Commercial			
Neighborhood Description		Pred.	Other			
Market Conditions (including support for the above conclusions)						
Dimensions						
Area		Shape		View		
Specific Zoning Classification						
Zoning Description						
Zoning Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)						
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe						
Utilities		Public Other (describe)		Public Other (describe)		Off-site Improvements—Type
Electricity <input type="checkbox"/>	Water <input type="checkbox"/>	Sanitary Sewer <input type="checkbox"/>	Alley <input type="checkbox"/>	Street <input type="checkbox"/>		
Gas <input type="checkbox"/>	FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input type="checkbox"/> No	FEMA Flood Zone	FEMA Map #	FEMA Map Date		
Are the utilities and off-site improvements typical for the market area? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe						
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe						
General Description		Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Floors			
# of Stories	Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Walls			
Type <input type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det/End Unit	Basement Area sq. ft.	Roof Surface	Trim/Finish			
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish %	Gutters & Downspouts	Bath Floor			
Design (Style)	Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Bath Wainscot			
Year Built	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	Car Storage <input type="checkbox"/> None			
Effective Age (Yrs)	Dampness <input type="checkbox"/> Settlement	Screens	Driveway # of Cars			
Attic <input type="checkbox"/> None	Heating <input type="checkbox"/> FWA <input type="checkbox"/> H/MBE <input type="checkbox"/> Radiant	Amenities <input type="checkbox"/> Woodstove(s) #	Driveway Surface			
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	Other Fuel <input type="checkbox"/> Fireplace(s) #	Fence	Garage # of Cars			
Floor <input type="checkbox"/> Scuttle	Cooling <input type="checkbox"/> Central Air Conditioning	Patio/Deck	Carport # of Cars			
Finished <input type="checkbox"/> Heated	Individual <input type="checkbox"/> Other	Pool	Other			
Appliances <input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)						
Finished area above grade contains: Rooms Bedrooms Bath(s) Square Feet of Gross Living Area Above Grade						
Additional features (special energy efficient items, etc.)						
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.)						
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe						
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe						

Subject Section

Uniform Residential Appraisal Report

File No. 1 Hill Court

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

SUBJECT	Property Address	1 Hill Court	City	Anytown	State	US	Zip Code	12345	
	Borrower	Mr. and Mrs. Homeowner	Owner of Public Record	Mr. and Mrs. Seller	County	Scenic			
	Legal Description	Lot 7, River Bend PUD							
	Assessor's Parcel #	98-765-432-000	Tax Year	20XX	R.E. Taxes \$	5,250			
	Neighborhood Name	River Bend	Map Reference	Anytown	Census Tract	137 40			
	Occupant	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input type="checkbox"/> Vacant	Special Assessments \$	0	<input checked="" type="checkbox"/> PUD	HOA \$ 200	<input checked="" type="checkbox"/> per year <input type="checkbox"/> per month
	Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)							
	Assignment Type	<input checked="" type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)							
	Lender/Client	ABC Financial	Address 1512 Financial Street, Anytown, US 12345						
	Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
Report data source(s) used, offering price(s), and date(s).	DOM 76; OLP \$435,000; originally offered for sale on 6/17/XX; it was listed under MLS #123456.								

Contract Section

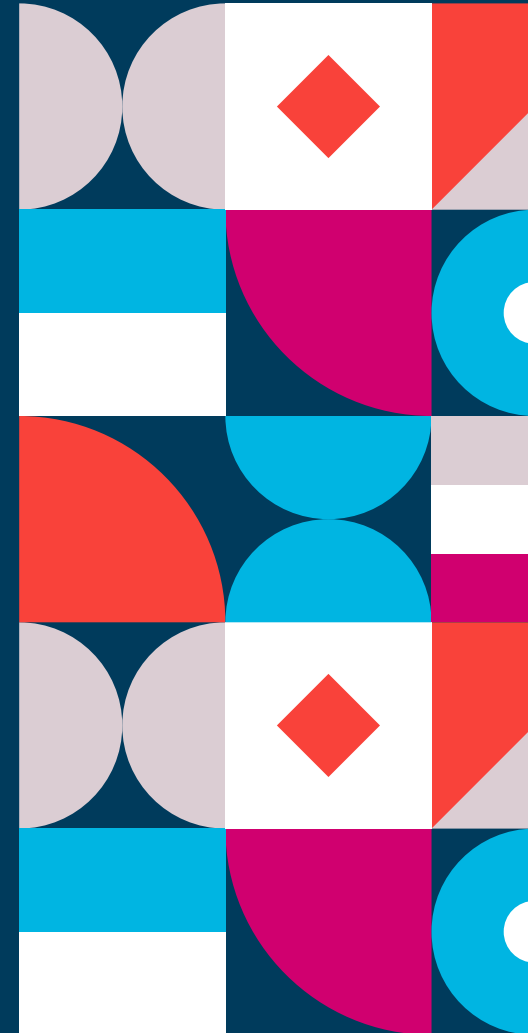
<input checked="" type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction.	Explain the results of the analysis of the contract for sale or why the analysis was not performed.		
Arms length sale; the contract between the buyer and seller was reviewed. There are no conditions or stipulations that are not typical of the market or would impact the negotiated price.			
Contract Price \$ 430,000	Date of Contract 08/19/20XX	Is the property seller the owner of public record? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s) County Recorder
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
If Yes, report the total dollar amount and describe the items to be paid.		\$0; No financial assistance provided.	

Arms length transaction:

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

Review Activity

- ✓ Subject section
- ✓ Contract section



Neighbo

Note: Race and the racial c

Neighborhood

Location Urban

Built-Up Over 75%

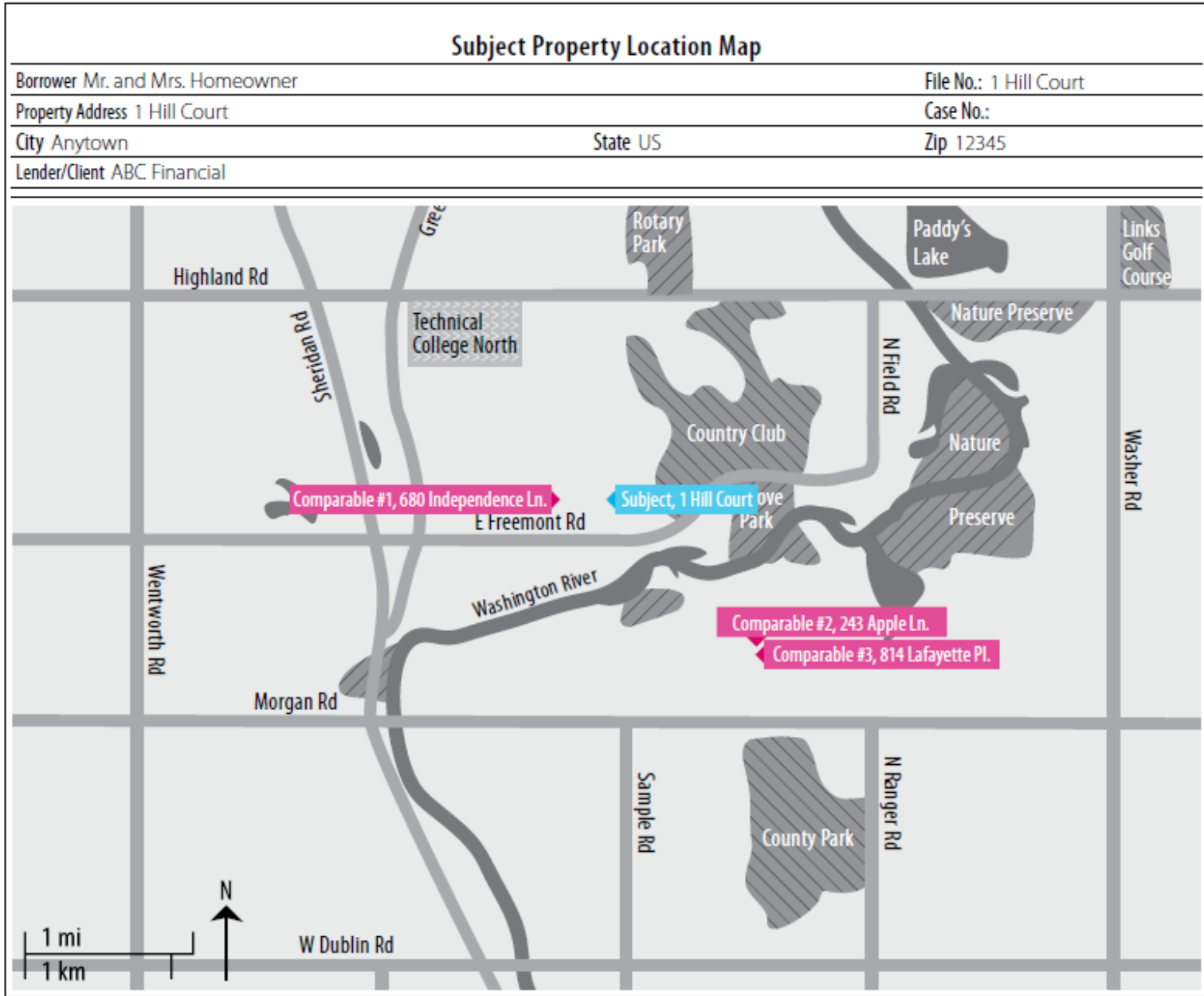
Growth Rapid

NEIGHBORHOOD

Neighborhood Boundaries
East; Sheridan Rd.

Neighborhood Description
amenities. The area
adverse factors wer

Market Conditions (including
appear to be in bala



Present Land Use %	
One-Unit	75 %
2-4 Unit	3 %
0 Multi-Family	0 %
40 Commercial	2 %
25 Other Vacant	20 %

tion, design and
orting facilities. No

Supply and demand
values.

Site Section

Dimensions	See Plat Map	Area	1.25 ac	Shape	Irregular	view	B;Woods;
Specific Zoning Classification	R-3	Zoning Description	Single unit/Residential				
Zoning Compliance	<input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)						
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?							<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.
Given present zoning and demand, highest and best use is limited to single unit and the present use is the most practical use.							
Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	Street Paved	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley None	<input type="checkbox"/>	<input type="checkbox"/>
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		FEMA Flood Zone	X			
Are the utilities and off-site improvements typical for the market area?							<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any adverse site conditions or external factors (easements, encroachments, environmental issues, etc.)?							
site slopes gently to the rear, which is heavily wooded. Normal utilities. There will be no adverse encroachments or conditions.							



External Depreciation

Loss in value due to:

- Economic factors
- Environmental factors



Improvements Section

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

UAD – Condition Ratings

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

C1

Improvements very recently constructed. Not previously occupied

C2

Improvements feature no deferred maintenance. Almost new/renovated

C3

Improvements are well maintained and feature limited physical depreciation

C4

Improvements feature some deferred maintenance – functionally adequate

C5

Improvements have obvious deferred maintenance in need of significant repair

C6

Improvements need substantial repairs and rehab including most components

Physical Depreciation

Loss in value due to:

- Wear and tear
- Disintegration
- Action of the elements



Improvements Section...continued

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

Functional Depreciation

Loss in value due to:

- Design defects
- Change in market preference



Valuation Approaches

Sales comparison

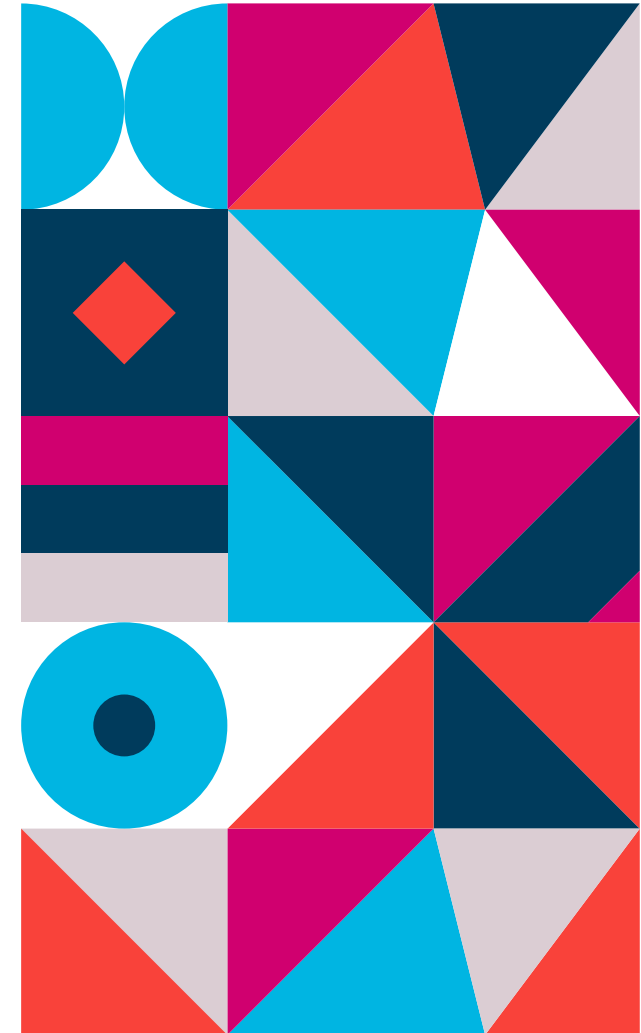
- Compares subject to recent sales of similar homes
 - +/- adjustments based on differences
 - + if inferior to subject
 - - if superior to subject

Cost

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

Income

- Value based on rental income generated from subject



Sales Comparison - Comparable Sales

Minimum number

- 3 closed sales required

Age

- <12 months
 - Newest not always best

Selection

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

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

- 1 inside and 1 outside

Form 1004 Page 2

Uniform Residential Appraisal Report

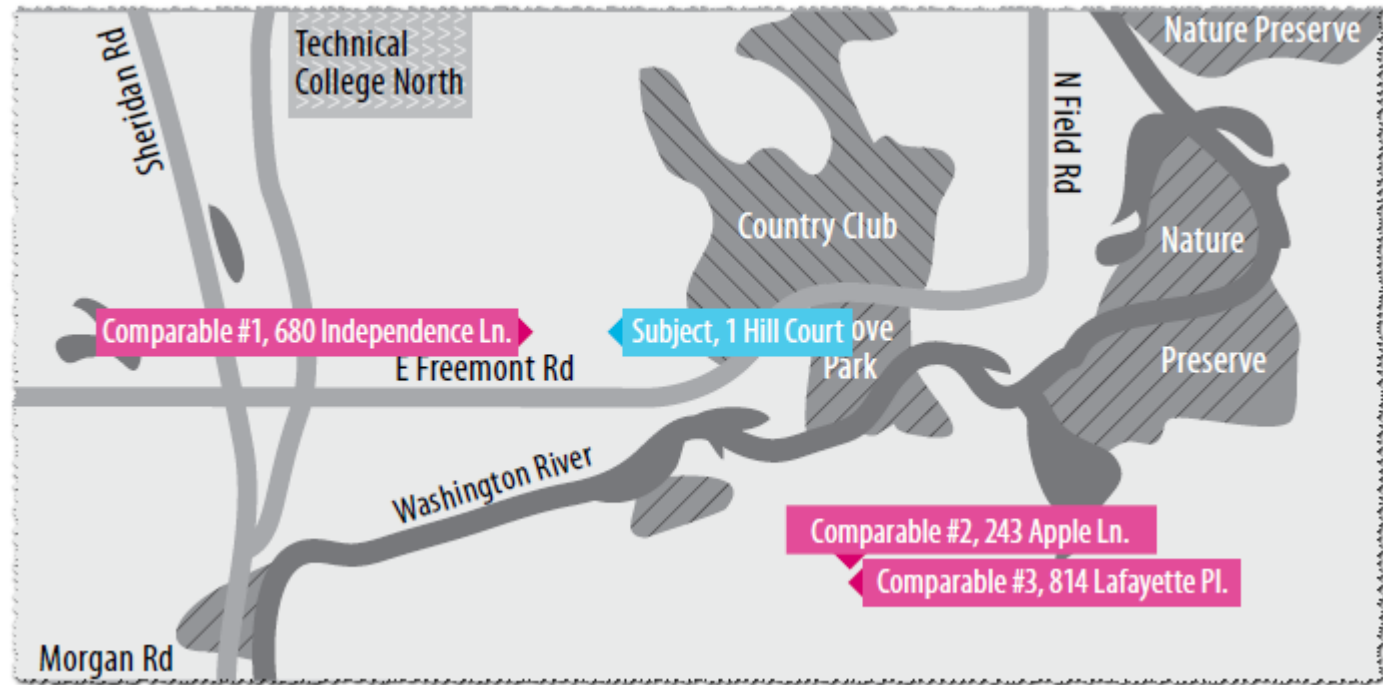
There are comparable properties currently offered for sale in the subject neighborhood ranging in price from \$		to \$							
There are comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$		to \$							
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3					
Address									
Proximity to Subject									
Sale Price \$									
Sale Price/Gross Liv. Area \$ sq. ft.									
Data Source(s)									
Verification Source(s)									
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment		
Sale or Financing Concessions									
Date of Sale/Time									
Location									
Leasehold/Fee Simple									
Site									
View									
Design (Style)									
Quality of Construction									
Actual Age									
Condition									
Above Grade	Total	Bdms.	Baths	Total	Bdms.	Baths	Total	Bdms.	Baths
Room Count									
Gross Living Area	sq. ft.			sq. ft.			sq. ft.		
Basement & Finished Rooms Below Grade									
Functional Utility									
Heating/Cooling									
Energy Efficient Items									
Garage/Carport									
Porch/Patio/Deck									
Net Adjustment (Total)									
Adjusted Sale Price of Comparables		Net Adj. %		Gross Adj. %		Net Adj. %		Gross Adj. %	
<input type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain									
My research <input type="checkbox"/> did <input type="checkbox"/> 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 <input type="checkbox"/> did <input type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.									
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).									
ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3					
Date of Prior Sale/Transfer									
Price of Prior Sale/Transfer									
Data Source(s)									
Effective Date of Data Source(s)									
Analysis of prior sale or transfer history of the subject property and comparable sales									
Summary of Sales Comparison Approach									
Indicated Value by Sales Comparison Approach \$									
Indicated Value by: Sales Comparison Approach \$									
Cost Approach (if developed) \$									
Income Approach (if developed) \$									
This appraisal is made <input type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair.									
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ _____, as of _____, which is the date of inspection and the effective date of this appraisal.									

Sales Comparison Approach ▶

Reconciliation ▶

Sales Comparison Approach

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



There are 27 comparable properties currently offered for sale in t		There are 20 comparable sales in the subject neighborhood withi	
FEATURE	SUBJECT	COMP/	
1 Hill Court Address Anytown, US 12345	680 Indepe Anytown, US 12345	Anytown, US 12345	
Proximity to Subject		0.25 miles W	1.25 miles SE
Sale Price	\$ 430,000	\$ 425,000	\$ 415,000
Sale Price/Gross Liv. Area	\$ 167.25 sq. ft.	\$ 162.83 sq. ft.	\$ 161.74 sq. ft.
Data Source(s)	MLS #723369;DOM 80	MLS #724740;DOM 92	MLS #755130;DOM 102
Verification Source(s)	Assessor Records	Assessor Records	Assessor Records
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing	ArmLth	ArmLth	0
Concessions	Conv;0	FHA;0	0
		Conv;4000	-4,000
Date of Sale/Time	s06/XX;c04/XX	s07/XX;c05/XX	0
Location	N;Res;	N;Res;	N;Res;
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple

Sales Comparison Approach Section...continued

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

UAD – Quality Ratings

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

Q1

Unique, architect designed structures

Q2

Often custom designed or upgraded plans

Q3

Above-standard with upgraded finishes

Q4

Meet acceptable building codes; builder grade finishes

Q5

Meet minimum building codes; stock materials

Q6

Basic quality; may not be suitable for year-round occupancy

Sales Comparison Approach Section...continued

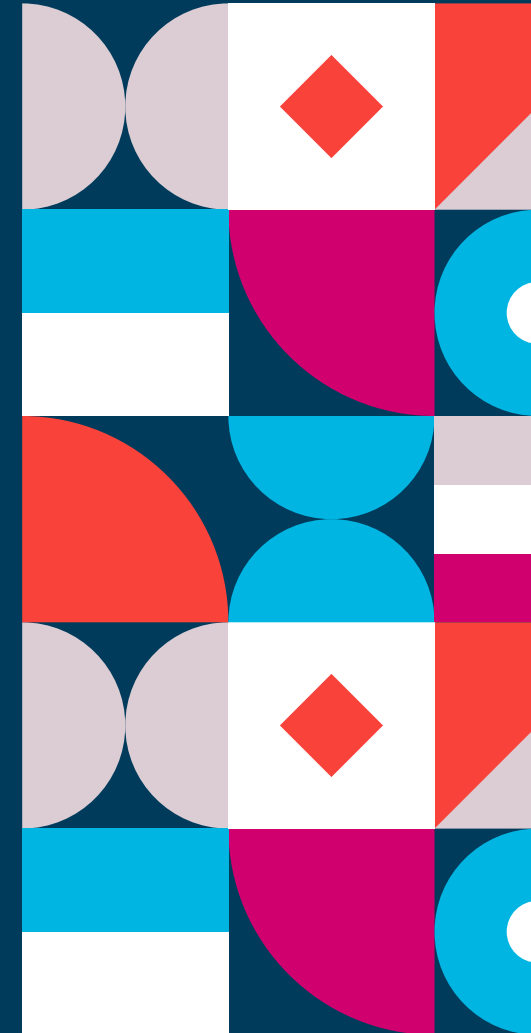
Site	1.25 ac	34848 sf	5,000	1.1 ac	0	40075 sf	0
View	B;Woods;	N;Res;	5,000	N;Res;	5,000	B;Woods;	
Design (Style)	DT2;Colonial	DT2;Colonial		DT2;Colonial		DT2;Colonial	
Actual Age	32	31	0	33	0	31	0
Condition	C2	C3	11,000	C3	6,000	C3	6,000
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms.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

Sales Comparison Approach Section...continued

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

Review Activity

- ✓ Sales Comparison Approach section



Sales Comparison Approach Section...continued

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

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

Data source(s) **MLS and County records**

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

Data source(s) **MLS and County records**

Research Data:

- Prior sale or transfer of subject property for 3 yrs. prior
- Prior sale or transfer of the comps for 12 mos. prior to date of comp sale

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

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	06/01/20XX	10/01/20XX		
Price of Prior Sale/Transfer	\$387,000	\$403,500		
Data Source(s)	MLS, Tax Records	MLS, Tax Records	MLS, Tax Records	MLS, Tax Records
Effective Date of Data Source(s)	09/01/20XX	09/01/20XX	09/01/20XX	09/01/20XX

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

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

Indicated Value by Sales Comparison Approach \$ 430,000

Reconciliation Section

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

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

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

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

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

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

Reconciliation Section

RECONCILIATION	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 <input type="checkbox"/> "as is," <input checked="" type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed,		
	<input checked="" type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input checked="" type="checkbox"/> subject to the following required		
	inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: _____		
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) <input checked="" type="checkbox"/> 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.			

This appraisal is made "as is"

subject to...

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



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

Cost Approach Section

COST APPROACH TO VALUE

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) Site value based upon analysis of 7 sales of sewered sites that transacted within the last 3 years. Sales prices ranged from \$160,000 to \$225,000. Adjustments applied for time, location, terrain, curb appeal. Lot sizes ranged from .75 acres to 2.5 acres. Indicative sales include: 2 Ranch Rd. for \$169,000, 8 Sunnydale Dr. for \$189,000, 20 Sunnydale Dr. for \$220,000 (private access road), 40 Liebau Rd., \$198,000.

COST APPROACH	ESTIMATED	<p>Opinion of site value</p> <p>+ Total estimate of cost-new</p> <p>- Estimated accrued depreciation (physical, functional, external)</p> <p>+ As-is value of site improvements</p> <p>= Indicated value by Cost Approach</p>
	Source of cost	
	Quality rating	
	Comments on	
	Marshall	
	contractor	
	the replacement	
based on		
for homes		
information		
appraisal		
Estimated Remaining Economic Life (HUD and VA only)	00 Years	

OPINION OF SITE VALUE	= \$	200,000
Dwelling 2,571 Sq. Ft. @ \$ 81.....	= \$	208,251
Basement 1,347 Sq. Ft. @ \$ 31.....	= \$	41,757
Wood Deck 700 Sq. Ft. @ \$ 11		7,700
Garage/Carport 641 Sq. Ft. @ \$ 23.....	= \$	14,743
Total Estimate of Cost-New	= \$	272,451
Less 75 Physical Functional External		
Depreciation \$54,490	= \$ (54,490)
Depreciated Cost of Improvements	= \$	217,961
"As-is" Value of Site Improvements	= \$	12,000
INDICATED VALUE BY COST APPROACH.....	= \$	430,000

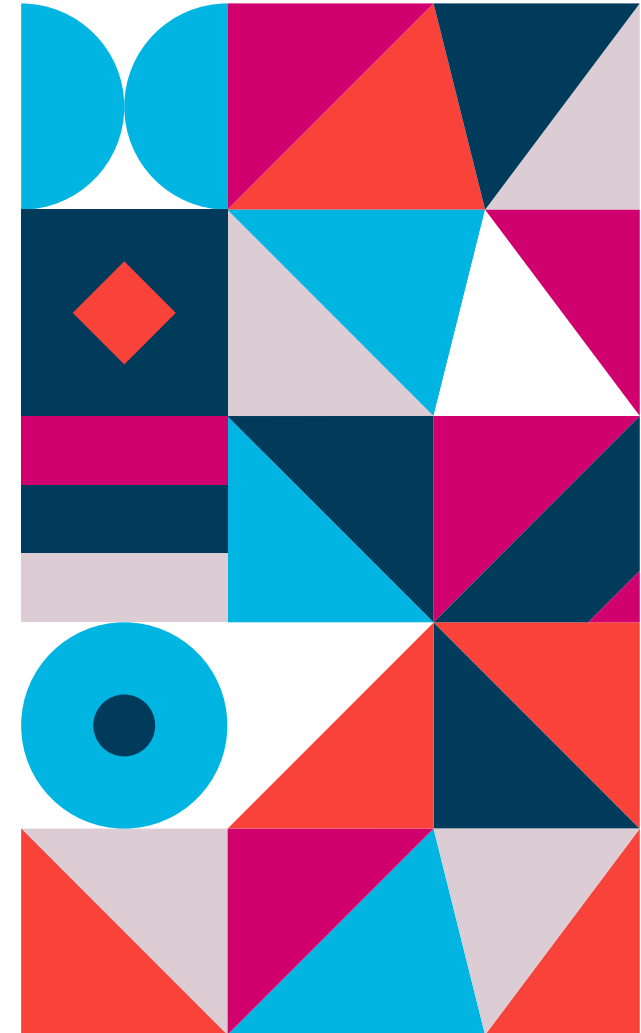


Q and A

What section shows:

- Property is vacant
- Owner of Public Record is “Realty Venture”
- Pontoon and speed boat included
- Reading Railroad on the South
- Declining property values

MGIC

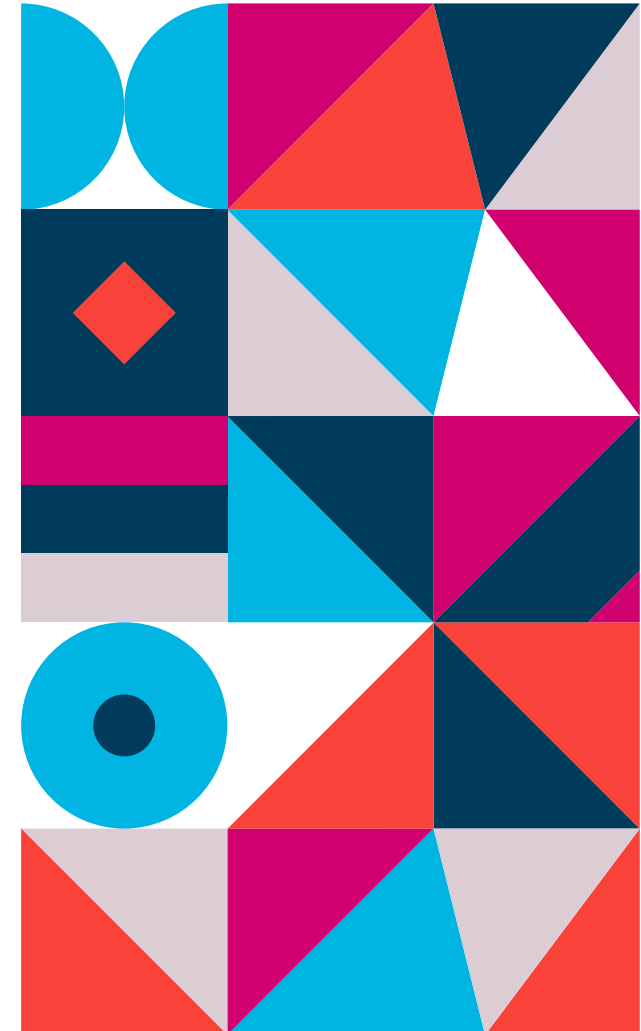




Q and A...continued

- Private street
- Cell tower in back yard
- Fireplace(s) # 5
- C6; Kitchen missing cabinets, flooring and plumbing
- Comps distant from subject location
- Inconsistent square footage adjustments

MGIC



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





Thank you for
choosing MGIC!

mgic.com



DESIGNS FOR
LEARNING

