

Fannie Mae Single Family

2007 Selling Guide

Part XI: Property and Appraisal Guidelines

XI, Chapter 2: Appraisal (or Property Inspection) Documentation (06/30/02)

XI, 203: Appraisal and Property Inspection Report Forms (11/01/05)

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Our appraisal report forms recognize the Uniform Standards of Professional Appraisal Practice as the minimum appraisal standards for the appraisal industry. In addition, we have established our own separate appraisal requirements to supplement the Uniform Standards because we believe that this is necessary to ensure that all of our specific concerns are addressed for any given appraisal. Our appraisal report forms are designed in a way that results in an appraiser's being in full compliance with our requirements if he or she provides all of the information required by the forms and presents the applicable data accurately and completely.

Our appraisal report forms provide a concise format for presenting both the appraiser's description of the subject property and the valuation analysis that leads to the opinion of market value. We have one appraisal report form for reporting an appraisal for each property and inspection type for both *Desktop*

Underwriter and manually processed mortgages. The appraisal report form that should be used generally depends on the type of property and property inspection required. The appraiser must complete our forms in a way that will clearly reflect the thoroughness of his or her investigation and analysis and provide the rationale for the opinion of market value. Although the scope of work for the appraisal or the extent of the appraisal process is guided by our appraisal report forms, the forms do not limit or control the appraisal process. The appraiser's analysis should go beyond any limitations of the forms, with additional comments and exhibits being used if they are needed to adequately describe the subject property, document the analysis and valuation process, or support the appraiser's conclusions. The extent of the appraiser's data collection, analysis, and reporting must be determined by the complexity of the appraisal assignment. For example, the scope of work for an appraisal based on an interior and exterior property inspection reported on the

Uniform Residential

Appraisal Report

([Form 1004](#)) is based on the complexity of the appraisal assignment and the reporting requirements of the appraisal report form, including the stated definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser is required, at a minimum, to:

- perform a complete visual inspection of the interior and exterior areas of the subject property,

- inspect the neighborhood,
- inspect each of the comparable sales, at least from the street,
- research, verify, and analyze data from reliable public and/or private sources, and
- report his or her analysis, opinions, and conclusions in the appraisal report.

The stated scope of work on the appraisal report forms reflect the minimum level of research and analysis required. The appraiser can expand the minimum scope of work for the appraisal and report on any additional research or analysis that was necessary and performed based on the complexity of the appraisal assignment. The need for an expanded scope of work is specific to the particular appraisal assignment and should be the exception, not the norm, for appraisals on typical one-unit properties.

An appraiser may use computer software programs that are designed to reproduce our appraisal report forms—including programs that have “expandability” features that allow increases in areas of the forms that call for the insertion of narrative comments. However, the sequence of the information—as well as all of the specific information (including the instructions, entries, directions, etc.)—must be exactly as it appears on the hard-copy of the form(s).

A lender may accept an appraisal report that is transmitted electronically using facsimile machines, Internet connections, wireless transmissions, or any other types of transmissions that use public or private telephone lines—as long as the appraisal report adequately identifies the appraiser and includes a reproduced signature of the appraiser whose name appears on the report, and the lender represents and warrants to us that the appraisal report was created by the appraiser identified on the appraisal report and that the appraisal report is the complete and unaltered report submitted by the identified appraiser. The lender may store any appraisal reports it receives (whether they are originally provided as paper documents or in electronic format) by using any photographic, electronic, optical, or other storage technology that enables it to retrieve and reproduce a complete and clear copy of an appraisal report (and its related addenda, photographs, and attachments) at any time in response to a request from us. Regardless of the transmission or storage method used, the lender will be responsible for the accuracy of the information and the integrity of the documents and for ensuring that the appraisal was prepared in accordance with our appraisal guidelines. We have nine different appraisal report forms depending on the type of property and property inspection required. The appraiser must use the March 2005 version of the following forms and include any other data—either as an attachment or addendum to the appraisal report form—needed to adequately support the opinion of market value.

- *Uniform Residential Appraisal Report* ([Form 1004](#)) for appraisals of one-unit properties and units in planned unit developments (including those that have an illegal second unit or accessory apartment) based on interior and exterior property inspections. [Form 1004](#) also may be used for two-family properties, if each of the units is occupied by one of the co-borrowers as his or her principal residence or if the value of the legal second unit is relatively insignificant in relation to the total value of the property (as might be the case for a basement unit or a unit over a garage). In addition, appraisals for units in condominium projects that consist solely of detached dwellings may be documented on [Form 1004](#), if the appraiser includes an adequate description of the project and information about the owners' association fees and the quality of the project maintenance.
- *Exterior-Only Inspection Residential Appraisal Report* ([Form 2055](#)) for appraisals of one-unit properties and units in planned unit developments based on exterior-only property inspections.
- *Manufactured Home Appraisal Report* ([Form 1004C](#)) for appraisals of one-unit manufactured homes (including manufactured homes in a PUD, condominium or cooperative project) based on interior and exterior property inspections.
- *Individual Condominium Unit Appraisal Report* ([Form 1073](#)) for appraisals of one-unit properties in condominium projects based on interior and exterior property inspections.
- *Exterior-Only Inspection Individual Condominium Unit Appraisal Report* ([Form 1075](#)) for appraisals of one-unit properties in condominium projects based on exterior-only property inspections.
- *Individual Cooperative Interest Appraisal Report* ([Form 2090](#)) for appraisals of one-unit properties in cooperative projects based on interior and exterior property inspections.

- *Exterior-Only Inspection Individual Cooperative Interest Appraisal Report* ([Form 2095](#)) for appraisals of one-unit properties in cooperative projects based on exterior-only property inspections.
- *Small Residential Income Property Appraisal Report* ([Form 1025](#)) for appraisals of two-unit to four-unit properties (including two-unit to four-unit properties in PUD, condominium or cooperative projects) based on interior and exterior property inspections.
- *Appraisal Update and/or Completion Report* ([Form 1004D](#)) for appraisal updates and/or completion reports for all one-unit to four-unit appraisal reports.