

# Appraisal Links Quality Standards

Form 1004	
General Requirements	
Miscellaneous – Stop and notify AMC/Lender who placed the appraisal order FNMA B2-3 USPAP AO-1	<p>1) <b>Form/Product</b> - If the form/product ordered is determined not to be appropriate for the property being appraised.</p> <p>2) <b>Unique</b> - If the subject is a unique or atypical property stop and notify AMC prior to writing the report if the appraiser can not meet B4-1.3-05, stating there must be sufficient information to develop a reliable opinion of market value.</p> <p>3) <b>Prior Service</b> - Per USPAP, notify AMC immediately, prior to beginning the report if the appraiser has provided any prior service on the subject within the last three years.</p> <p>4) <b>Ineligible Properties</b> – Units in condo or Co-op hotels, properties not readily accessible by roads meeting local standards, agricultural properties, properties not secured by real estate. Also not eligible are boarding houses, Bed and Breakfasts properties, or properties not suitable for year round use.</p> <p>5) <b>Highest and Best Use</b> – If current use is not the highest and best use.</p>
USPAP requirement Prior Service Comment	Appraiser must provide a statement within the report WHETHER OR NOT ANY prior service(s) have been performed on the subject within the last three years.
USPAP requirement Exposure Time	Appraisers must provide an opinion of reasonable 'Exposure Time' for the subject property in each appraisal where exposure time is a component of the value definition.
Appraiser Certifications and Proof of Insurance AMC/LENDER	A copy of the following documentation should be included within the appraisal report. <ul style="list-style-type: none"> <li>a. Copy of current license</li> <li>b. Copy of current E&amp;O</li> </ul>
Conventional Reports only/Site Condo  FNMA/FHA	<p>CONVENTIONAL Site Condos may be submitted on either the 1073/Condo or 1004/URAR appraisal form. However, when the 1004/URAR form is used, the following Condo-specific information is also required:</p> <ul style="list-style-type: none"> <li>1) Project Attachment Type (Detached or Attached)</li> <li>2) Project Design Type</li> <li>3) Project Unit Dwelling Count (# of Units)</li> <li>4) # of Project Dwelling Units Sold (# of Units Sold)</li> </ul> <p>* NOTE: Please provide this information in the Additional Comments section or in a condo addendum.</p>
Conventional Reports ONLY/ Site Condos / Condo Project or PUD FNMA/FHA	<p>When a Site Condo appraisal is ordered on a 1004/URAR or the 2055/Exterior-Only form AND the Site Condo is located in a condominium project (rather than a PUD), please do not check the PUD box.</p> <p>– If the PUD checkbox is NOT selected, please explain in commentary for the benefit of those Underwriters who may not understand this 'technicality'.</p> <p>* NOTE: A Site Condo located in a condominium project is not a PUD, even though HOA fees are paid to the Condo association. (The FNMA Condo appraisal forms do not even have a PUD checkbox.)</p>
Loan Amount Greater than \$1,000,000 12 CFR 564.3	Appraisals with Loan amounts equal to or greater than \$1,000,000 must be completed by a Certified Appraiser.
PLAT MAP AMC/Lender	All reports require a PLAT MAP with subject visibly identified. If not available, it must be stated that a PLAT MAP is not available in a comment.
Smoke/CO2 Detectors AMC/Lender	Comments are required to state if Smoke/CO2 detectors are present (incl photo). If none are present, state if required by state/local statute,

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General Requirements – Continued	
<p><b>Federal Disaster Area Declaration FNMA/FRE</b></p>	<p>If the appraiser notes the Subject property is located in a FEMA Federal Disaster Declaration Area or an area which may be declared a disaster area, the appraiser must report WHETHER OR NOT the Subject property and/or neighborhood sustained any damage as a result of the disaster.</p> <p>1) If the Subject property/neighborhood DID NOT sustain damage, the following comment MUST be provided:</p> <ul style="list-style-type: none"> <li>a) Having personally inspected the Subject property and surrounding neighborhood on the effective date of this report, I certify to the best of my knowledge and belief that there is no significant damage or reduction in marketability or value due to the recent disaster.</li> </ul> <p>2) If the Subject property DID sustain damage as a direct result of the disaster and:</p> <ul style="list-style-type: none"> <li>a) If the damage was minor, cosmetic and/or did not rise to the level of Health &amp; Safety, please provide an 'as-is' report with:               <ul style="list-style-type: none"> <li>1) Detailed commentary &amp; photos describing the 'disaster-related' damage and recommended repairs</li> <li>2) A corresponding cost-to-cure/condition adjustment to address the impact of the damage, if appropriate.</li> </ul> </li> <li>b) If the damage created a Health &amp; Safety issue or significantly impacts marketability and/or value, please provide a report 'subject to' the required repairs and/or professional inspections with:               <ul style="list-style-type: none"> <li>1) Detailed commentary describing the extent of the damage and required repairs</li> <li>2) Demonstrative photos of damage</li> </ul> </li> </ul> <p>3) If the NEIGHBORHOOD sustained damage, please provide descriptive commentary &amp; photos and discuss any impact upon neighborhood marketability/property value trends.</p>
<p><b>1004D Disaster Reports* FNMA/FRE</b></p>	<p>For ALL 1004D or Disaster Cert DAIRForm reports, exterior inspection is required. Interior inspection if deemed applicable.</p>
State Specific Requirements	
<p><b>States with Specific Requirements</b></p> <p><b>State Statutes</b></p>	<p><b>Arizona</b> Effective 08/02/12 (HB2778) require the AMC fee paid to the appraiser to be disclosed in the appraisal report</p> <p><b>Colorado</b> Effective 07/01/13 (HB) requires the AMC fee paid to the appraiser to be disclosed in the appraisal report.</p>

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Form 1004	
State Specific Requirements - Continued	
States with Specific Requirements - Continued	<p><b>California</b>  <b>Hot Water Heater</b> – For all interior appraisals in California, AMC requires the appraiser to provide a comment and photo to verify whether or not the hot water tank was 'double strapped' at the time of inspection and, if it was NOT, the report must be made 'subject to' the required installation.  <b>Carbon Monoxide Detectors</b> - For all interior alenderppraisals in California, AMC requires the appraiser to verify the installation of at least one Carbon Monoxide (CO) Detector in all 1-4 unit properties which have a fireplace, gas/oil burning appliance, or attached garage. Please provide a comment and photo verifying the installation of at least one CO Detector in the Subject dwelling (or per unit). If there were NO Carbon Monoxide Detectors installed at the time of the inspection, AMC requires the report be made 'subject to' installation.</p> <p><b>LA County California</b>            When the Subject’s car storage appears to be atypical for market due to alteration, removal or found inadequate, potentially affecting legal zoning compliance, AMC requires appraiser contact local Zoning authorities and confirm the legality of car storage. Provide the following within the report:            a) commentconfirming the subject’s zoning compliance for car storage            b) Name and phone number of contact with Zoning department</p> <p><b>Illinois</b>            The Illinois State Appraisal Board require the following disclosure be provided within narrative of certification of each assignment:            a) Identify the AMC as the Client (if applicable)            b) Identify the Lender as the intended user            c) Disclose the AMC fee paid to the appraiser (if applicable)</p> <p><b>Louisiana</b>            Louisiana statute (HB 1014) require that the AMC fee paid to the appraiser be reflected in the appraisal report.</p> <p><b>Montana</b>            Montana statute (HB 0188) requires the AMC’s approved registration number be reflected in the appraisal report.</p> <p><b>Nevada</b>            Nevada statute (NAC 645C.389) requires both the AMC fee paid to the appraiser and fee retained by the AMC are reflected in the report.</p> <p><b>New Mexico</b>            New Mexico administrative code (16.65.2.12 NMAC) requires both the AMC fee paid to the appraiser and fee retained by the AMC are reflected in the report.</p>

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Form 1004	
State Specific Requirements - Continued	
States with Specific Requirements - Continued	<p><b>Utah</b> Utah administrative code (R162-2e-304) requires both the AMC fee paid to the appraiser and fee retained by the AMC are reflected in the report.</p> <p><b>Vermont</b> Vermont statute (HB420) requires the AMC's approved registration number and fee paid to the appraiser be disclosed within the appraisal report adjacent to or below the AMC name. Please report the AMC name, AMC registration number and fee in commentary.</p> <p><b>Virginia</b> Code of Virginia (54.1-2001) requires the AMC fee paid to the appraiser is disclosed within the appraisal report.</p>
Subject Section	
Utilities AMC/LENDER	<p>Regardless of occupancy, appraiser to comment if ALL utilities were turned "ON" and functioning properly at time of inspection.</p> <p>a) If the utilities were NOT operational, the report to be make "subject to" re-inspection with confirmation on and in working order. – <b>FHA ONLY</b></p> <p>b) If any of the utilities appear NOT to be working properly, the report to be made "subject to" the repair, (or inspection by licensed professional in the field) of the deficient utilities.</p>
Listing History Data Source USPAP SR 1-5(a)	Please indicate specifically if the MLS was utilized for researching the Subject's listing history on page one. If the MLS was not used, explain why.
Recent List Price vs. Opinion of Market Value AMC/LENDER	When the Subject's Opinion of Market Value exceeds its most recent list price, commentary must be provided explaining the difference.
Neighborhood Section	
Present Land Use 'other' FNMA B4-1.3-03	If 'other' land use is designated, the appraiser must designate what that use is.
Predominant Value FNMA B4-1.3-03	If the subject's final opinion of value is 10% greater than or less than the predominant neighborhood sales prices, commentary required to address difference. E.g. is the subject an over or under-improvement for market area? Is the subject superior or inferior in condition compared to other homes in the neighborhood? Does this difference in value create a marketability issue? Etc.
Site Section	
Zoning Compliance/Illegal USPAP 1A	Whenever the Subject's zoning is designated as 'illegal', the appraiser must STOP & NOTIFY AMC who will direct the appraiser whether to proceed with the assignment. If yes, what additional information will be required?

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Form 1004	
Site Section – Continued	
<b>Zoning Illegal use/ Due to Unpermitted Addition USPAP 1AEG</b>	<p>If research or the Subject inspection reveals evidence of any additions or modifications of square footage to the GLA, the appraiser must provide the due diligence necessary to determine whether the construction was legally permitted, and if it was not, whether the Subject is now illegally zoned.</p> <ol style="list-style-type: none"> <li>1) If the Subject is still legally zoned, proceed with the appraisal.</li> <li>2) If the Subject is now an ILLEGAL USE, as a result of the unpermitted addition, please STOP &amp; NOTIFY AMC.</li> </ol> <p>– The Lender may request additional information to complete appraisal 'subject to' obtaining a legal zoning permit or the removal of the illegal addition.</p>
<b>Zoning Compliance/Legal nonconforming USPAP 1AEG</b>	<p>Whenever the Subject's zoning is designated as 'legal nonconforming', the appraiser must address:</p> <ol style="list-style-type: none"> <li>1) Can the Subject be rebuilt to present density if destroyed</li> <li>2) Site source used to verify (e.g. Zoning Dept. phone number, with contact name and title)</li> </ol> <p>If cannot be rebuilt, what's the effect on subject's marketability &amp; value</p>
<b>Outbuildings FNMA FRE FHA</b>	<p>Appraiser to provide specific commentary for any property with large and multiple outbuildings. Indicate if the Subject is a working farm, if the highest and best use is residential, and any positive or negative impact of the outbuildings on marketability.</p>
<b>Non-Public Utilities FNMA/FRE/FHA</b>	<p>Appraiser to comment if non-public utilities are common for the market.</p>
Improvements Section	
<b>Garage Conversion/ Room Additions FHA</b>	<p>When the Subject is determined to have had a garage conversion or room addition, the following questions must be addressed in the report:</p> <ol style="list-style-type: none"> <li>1) Was the conversion/addition permitted? Please provide the data source.</li> <li>2) Is it legal per local zoning?</li> <li>3) Is the quality of the workmanship comparable to the original dwelling?</li> <li>4) If not, how does the local market react to non-permitted and/or illegally zoned garage conversions/additions?</li> <li>5) Does the market consider the conversion/addition to contribute value?</li> <li>6) Can at least two comparable sales with a similar addition/conversion be provided to demonstrate market acceptance? Commentary is required to explain if such Comps are not available.</li> <li>7) The GLA for ILLEGAL and/or UNPERMITTED additions/conversions should be reported and adjusted on a separate line item titled 'Addition/Conversion', rather than including it in the Subject's GLA.</li> <li>8) Report the cost to cure to bring subject back to legal/permitted status</li> </ol>
<b>Subject's Condition reported as C5 or C6 FNMA B4-1.3-06 FRE</b>	<p>When the Subject is reported to be in <b>C5 or C6</b> (below average) condition, the report must be made 'subject to' the repairs/inspections required to bring the Subject up to C4 (average) condition AND the following are required:</p> <ol style="list-style-type: none"> <li>1) A description of repair/inspection items.</li> <li>2) Overall condition rating which reflects the 'as-improved' condition</li> <li>3) Comparable sales that reflect the 'as-improved' condition</li> <li>4) Demonstrative photos of all repair items.</li> </ol>

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Improvements Section – Continued	
<b>Accessory Units (ADU)</b> <b>FNMA B4-1.3-05</b> <b>FHA D3E</b> <b>AMC/Lender</b>	If the subject has an accessory unit the following needs to be addressed: <ol style="list-style-type: none"> <li>1) Is it legal per local zoning?               <ol style="list-style-type: none"> <li>a. If yes, then would this be considered a Multi-unit? Please provide your analysis of highest and best use.</li> <li>b. Can it be rented out to a non-family member?</li> <li>c. Is it metered separately?</li> <li>d. Is it permitted?</li> <li>e. Please remove from GLA and adjust on a separate line.</li> <li>f. Can at least two comparable sales w/similar legal accessory units be provided to demonstrate market acceptance? Commentary is required to explain if such Comps are not available.</li> </ol> </li> <li>2) If it is not legal per local zoning:               <ol style="list-style-type: none"> <li>a. Remove it from GLA.</li> <li>b. Was it completed in a workmanship similar to the subject?</li> <li>c. Please adjust for the market’s reaction on a separate line.</li> <li>d. Provide estimated cost to return Subject property to a legal zoning status?</li> </ol> </li> <li>3) Provide photos of ALL rooms within the ADU</li> <li>4) Comment if ADU has separate mailing address</li> </ol>
<b>Closed Sales</b> <b>FNMA B4-1.03-08</b> <b>FRE</b> <b>FHA IID4USPAP</b>	AMC/Lender requires Three (3) sales closed within 6 months of the Subject's effective date or detailed commentary to explain why such comparables were not available. The search parameters may be extended to 12 months and/or to sales having somewhat less similar features, with adequate commentary and appropriate adjustments.
<b>Adjustments / UAD Requirement</b> <b>FNMA UAD Overview</b>	The UAD provides specific direction for notating adjustments when Comparable features differ from the Subject. <ul style="list-style-type: none"> <li>– When a Comp line item description is NOT exactly the same as the corresponding line item description for the Subject and NO adjustment is given, the UAD requires the field to be completed with a zero (0) to verify the appraiser noted the difference but chose not to make an adjustment.</li> <li>– When the line item description(s) for the Subject and Comparable property is exactly the same, including a zero (0) is NOT appropriate. Please leave these adjustment fields blank.</li> </ul>
<b>Active Listings</b> <b>AMC/LENDER</b>	AMC/Lender requires TWO (2) listings with applicable list price/sales price grid adjustments to bracket/support presented opinion of value.
<b>Similar Comparable</b> <b>AMC/LENDER</b>	When a majority of the comparable sales differ significantly from the Subject property in either: location, quality of construction, condition, GLA or amenities, AMC requires detailed commentary explaining why these were the best comparables available and what search parameters were utilized.
<b>New or Proposed Construction</b> <b>AMC/LENDER</b> <b>FHA IIA8</b>	When the Subject is new or proposed construction, AMC has the following requirements: <ol style="list-style-type: none"> <li>1) At least one sale must be from within the Subject's development</li> <li>2) At least one sale must be from a competing development (outside the influence of the Subject's builder/developer) and</li> <li>5) All builder sales must be verified by an independent source (i.e. MLS, HUD-1, Assessor, etc.)</li> </ol>

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Form 1004	
Sales Comparison Section(Grid) – Continued	
<b>Comparable Selection/ Distance FNMA B4-1.3-08 FRE</b>	<p>Comparable sales located within the Subject's immediate neighborhood are desired. If the appraiser utilizes comparable sales outside of the Subject's neighborhood when closer comparable sales appear to be available, it is required the appraiser provide an explanation as to why they used the specific comparable sales in the appraisal report.</p> <ul style="list-style-type: none"> <li>– Additionally, for urban and suburban properties, please comment specifically regarding the necessity of using any comparable sale located greater than one mile from the Subject.</li> <li>– For rural properties, please comment specifically regarding the necessity of using any comparable sale located greater than five miles from the Subject and indicate if the distance is typical for the market.</li> </ul>
<b>Comparable Selection/ Bracket Sales Price AMC/LENDER</b>	<p>The ACTUAL Sales Prices of the closed comparable sales should bracket the appraiser's opinion of market value whenever possible, even if it is necessary to add a less similar closed sale requiring a greater percentage of adjustments to accomplish this.</p> <ul style="list-style-type: none"> <li>– If it is not possible to bracket your opinion of value with the actual Sales Prices of the comparable sales, please provide a specific explanation WHY this requirement could not be met.</li> </ul>
<b>Comparable Selection/ Declining Market/ 2 Closed Sales within 90 Days AMC/LENDER</b>	<p>In a Declining Market, the following Date of Sale guidelines for CLOSED sales apply to all assignments:</p> <ol style="list-style-type: none"> <li>1) Appraiser should provide two sales closed within 90 days of the effective date, EVEN IF it is necessary for the appraiser to extend the search parameters.</li> </ol> <p>* Comps less proximate or with somewhat less similar features, requiring greater than typical adjustments, are acceptable.</p> <ol style="list-style-type: none"> <li>2) If, in your opinion, the '90 day' sales are not the best indicators of value, please provide additional Comps from an expanded search up to 6 months.</li> </ol> <p>* Describe why you consider the less recent sales to be better indicators of value and how you weighted all comparable sales in your SCA reconciliation.</p> <ol style="list-style-type: none"> <li>3) If sales older than 90 days are provided, please make the appropriate time adjustments and discuss how the adjustment amounts were reconciled.</li> </ol>
<b>Comparable Selection/ Market Influenced by REO/ Distressed Sales AMC/LENDER</b>	<p>When the market is influenced by REO/Short/Distressed sales (though not 100%), the appraiser must provide the following:</p> <ol style="list-style-type: none"> <li>1) A mix of arm's length and distressed sales when available and/or appropriate for comparison. This helps to reflect the market.</li> <li>2) Explain the use of REO/short/distressed sales and provide the appropriate adjustment for being distressed if the market warrants.</li> </ol>
<b>Comparable Selection/ Unique Properties FNMA B4-1.3-05 FRE</b>	<p>If the Subject is a unique/atypical property type (e.g. log home, geodesic dome, earth home, berm home, A-frame, modular, low GLA, etc), if appraiser can't provide recent sales of similar construction style/features for comparison then sufficient information info to be provided to develop a reliable opinion of value. Extend the data search into similar and competing markets if necessary to satisfy this requirement.</p>
<b>Days On Market Advisory Opinion 7 (AO-7)</b>	<p>Days on market must be reported for the Subject property (purchase transactions) and each comparable (sales, actives &amp; pendings). Commentary required if the comparables DOM exceed marketing time for the subject's neighborhood.</p>

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Sales Comparison Section(Grid) – Continued	
<b>Comparable Data &amp; Verification Sources</b> <b>FNMA B4-1.3-07</b>	FNMA Announcement SEL-2010-09 requires: At least one Data source and one Verification source for EACH comparable sale: <ol style="list-style-type: none"> <li>1) Approved Data &amp; Verification sources include any combination of the following, but are not limited to: MLS, Assessor, Tax Records, Deed Records, HUD-1, other appraisers (provide name and number), appraiser files, closing documents, and other parties to the comparable transaction (real estate agents (provide name and number), buyer or seller).</li> <li>2) <b>Unacceptable responses/sources:</b> – 'Public/County records' is considered to be too general and is <b>NOT</b> acceptable. The specific type of public record <b>MUST</b> be indicated. 'Exterior inspection' is <b>NOT</b> a valid verification source because it provides no information regarding the comparable purchase transaction.</li> <li>3) When comparable sales data is provided by parties that have a financial interest in either the sale or financing of the Subject property, the appraiser must verify the data with a 3rd party that has <b>NO</b> financial interest in the transaction.                – Exception: For new construction, a fully executed (signed) HUD-1 Settlement Statement is typically acceptable as either a data or verification source, because it is often one of the only reliable sources of data available.</li> </ol>
<b>Sales Concessions</b> <b>USPAP SR1-2(c)</b>	If the comparable sales indicate sales concessions, the following is required: <ol style="list-style-type: none"> <li>1) Both the specific type of concession and the amount of the concession must be reported in the description column. ('Typical' is not an acceptable explanation.)</li> <li>2) The amount of the adjustment given must be reported in the adjustment column. The adjustment given should reflect the difference between what the comparables actually sold for with the concessions and what they would have sold for without them.</li> <li>3) If a concession amount is noted, but <b>NO</b> adjustment is being given (indicated as \$0), please describe why you believe an adjustment is not necessary.</li> </ol> <p>* NOTE: Per FNMA guidelines: "Positive adjustments for sales or financing concessions are not acceptable."</p>
<b>Condition &amp; Age Adjustments</b> <b>FNMA B4-1.3-09</b>	All condition and/or age adjustments given to the comparable sales (either positive or negative) must be specifically explained within the report narrative, including a description of the information observed by the appraiser leading to the necessity for each adjustment.
<b>Single Line/Net/Gross % Adjustments*</b> <b>AMC/LENDER</b> <b>FHA/USDA</b>	When a single line, net, or gross adjustment exceeds 10%, 15% or 25%, respectively, of the Actual Sale Price (or offering price for listings/pendings), commentary should be provided to explain the reason(s) for not using a more similar comparable. - <b>FHA/USDA ONLY</b>
<b>Prior Sales/ Transfer History/ Subject</b> <b>USPAP SR1-5</b> <b>FNMA B4-1.3-07</b>	When the Subject's Prior Sale/Transfer History indicates a sale within the past 3 years that differs by more than 5% from the current Opinion of Market Value, commentary is required to explain the value difference. – e.g. Was the property sold previously at a below market price due to some type of distressed or non-arm's length transaction? Have property values declined or increased substantially since the prior sale date? Has the property been significantly altered, updated, or remodeled since the prior sale to a degree that would account for any noted increase (as reflected on page 1 of report)?



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Form 1004	
Sales Comparison Section(Grid) – Continued	
<b>Summary of Sales Comparison Approach</b> <b>USPAP SR1-6</b>	<p>AMC/Lender requires that the appraiser provide a brief, but specific, explanation of the reconciliation of the Sales Comparison Approach to Value. This includes commentary within every appraisal report explaining how the comparable sales were weighted and the logic/analysis used in making those weighting decisions.</p> <p>– e.g. Comp #1 was weighted most heavily in establishing the reconciled SCA because it has the most similar features to the Subject, required the least adjustments and is the most recent &amp; proximate sale. Comp #2 supported the final value. No weight was given to Comp #3 due to its location outside the immediate neighborhood and much larger Site.</p> <p>* NOTE: Percentage weighting is another accepted approach, but it must be accompanied by a brief explanation.</p>
<b>Search Parameters</b> <b>USPAP SR 1-4</b> <b>FNMA</b>	<p>Describe the parameters/criteria used in your comparable search, including the actual time frame, distance, age, GLA, style, etc. used in the research for Comps.</p> <p>– FOR EXAMPLE ONLY: “In my research for comparables, I used the following parameters: Homes closed in the past 6 months, within 3 mile radius of the Subject, built between 1960-70, within 250SqFt of Subject, 2-Story, etc.”</p> <p>– Avoid dollar based search criteria.</p>
<b>Required Commentary</b> <b>AMC/LENDER</b>	<p>When the opinion of value is NOT supported by the adjusted sales prices of the majority of comparable sales, AMC/LENDER requires detailed and specific commentary to explain the reconciliation of value.</p>
Cost Approach Section	
<b>Completion Requirements</b> <b>AMC/LENDER</b>	<p>The Estimated Remaining Economic Life and Opinion of Site Value are required within every report. ** The entire cost approach only needs to be completed if the appraiser feels it is warranted. **</p>
<b>Site Value Exceeds 30% of Opinion of Market Value</b> <b>USPAP SR 1-4</b>	<p>When the Subject's 'Opinion of Site Value' exceeds 30% of the final 'Opinion of the Market Value', the appraiser must provide commentary within the report that addresses each of the following questions:</p> <ol style="list-style-type: none"> <li>1) Is a Site value to Market Value ratio of this size typical for the market?</li> <li>2) Does a Site value ratio of this size have any impact on the Subject's marketability &amp; value?</li> </ol>
PUD or CONDO Information Section	
<b>PUD/CONDO HOA/ Pending Litigation</b> <b>AMC/LENDER</b>	<p>When the Subject property is located in a PUD, please provide the following comment:          – 'I am/am NOT aware of any pending litigation involving the Subject property's HOA.'          * NOTE: If the appraiser IS aware of any pending litigation involving the HOA, please provide the following:</p> <ol style="list-style-type: none"> <li>1) Data source including Name, Title (if applicable) and Phone Number.</li> <li>2) A brief summary of the nature of the lawsuit and any potential impact on the value &amp; marketability of the Subject property.</li> </ol> <p>– Please explain if any of this information is not available in the normal course of business.</p>

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Form 1004	
Building Sketch Section	
<b>Sketch/ Required for ALL interior Appraisals</b> <b>FNMA B4-1.2-01</b> <b>FHA D4a</b>	<p>A sketch/floor plan (with exterior dimensions, unit labels, room labels, and GLA calculations) is required for all interior appraisal assignments.</p> <ul style="list-style-type: none"> <li>– During the inspection, the appraiser is required to take physical measurements of the exterior dimensions of the improvement, EVEN IF using a third party data source (e.g. blueprints, assessor's sketch, etc.). The appraiser's measurements should be the data used to calculate the GLA of the Subject property.</li> <li>– The appraiser should comment regarding any significant differences (greater than 10%) between their own measurements and any published by the local assessment/taxing authority.</li> </ul>
Photo Section	
<b>Subject Interior Photos Required</b> <b>FNMA B4-1.02-01</b> <b>FHA D4a</b>	<p>Interior photos of all rooms noted in the Improvements section are desired; however, in order to pass QC, the following photos are required:</p> <ol style="list-style-type: none"> <li>1) Kitchen(s)</li> <li>2) ALL baths (including ½ baths and powder rooms)</li> <li>3) Bedrooms</li> <li>4) Main living area</li> <li>5) Any additional finished areas (e.g. BASEMENT, attic, accessory unit, etc.)</li> <li>6) Any recent updates (e.g. remodeling, renovation, restoration, etc.)</li> <li>7) Any value contributing amenities (e.g. detached garage, deck, porch, pool, etc.)</li> <li>8) Any visible physical deterioration</li> </ol> <p>* NOTE: Please avoid photos containing people or portraits, as these may violate Fair Housing Laws.</p>
<b>Subject/ Accessory Unit Photos</b> <b>FNMA B4-1.3-05</b> <b>FHA D3E</b>	<p>If the Subject is a single family home with an accessory unit, interior and exterior photos of the accessory unit are required. Please label them accordingly so that the reader can clearly identify the photos for each unit.</p>
<b>Comparable Photos/ Required</b> <b>AMC/LENDER</b> <b>FHA D3E</b>	<p><b>Current, original</b> (non-MLS) photos of all comparables (sales, pendings and actives) are required to verify the appraiser's inspection of comparables from the street. An MLS photo is acceptable, as an additional photo, when a compliant original cannot be obtained (i.e. gated community, wooded site, blocked view, people in yard, etc.) In such situations, a supplemental MLS photo should be provided with commentary:</p> <ol style="list-style-type: none"> <li>1) Confirming that the comparable was inspected by the appraiser from the street</li> <li>2) Explaining the reason the MLS photo was used.</li> </ol>
<b>Access</b> <b>AMC/LENDER</b> <b>FHA</b>	<p>If the appraiser is unable to gain access to any part of the property being appraised, complete assignment and reflect "<b>subject to inspection</b>". (All rooms and/or areas must be viewed)</p>
<b>Completion Report</b> <b>FNMA B4-1.2-01</b> <b>FHA D3</b>	<p>Provide front photo of residence and all final completion items requested. If new construction – provide photos of ALL rooms including all exterior sides of residence.</p>

# Appraisal Links Quality Standards

Form 1004	
Location Map	
<b>Crossing Major Boundaries FNMA B4-1.3-08</b>	If major boundaries are crossed for comparables, commentary is provided discussing if the markets are similar and/or how they differ.
<b>Aerial Map AMC/LENDER</b>	An aerial photo centered on the Subject property and displaying an area with a 1 mile radius is required, with particular attention paid to any adverse external influences affecting the Subject property. When such influences are observed, the following information is required: <ol style="list-style-type: none"> <li>1) Detailed disclosure of the indicated adverse influence(s)</li> <li>2) Explanation of effect on the Subject's marketability and value</li> <li>3) Comparables with the same influence AND</li> <li>4) Demonstrative photos OR commentary if any of these requirements cannot be satisfied.</li> </ol>
<b>Location Map* AMC/LENDER</b>	Boundaries as stated within the Neighborhood section to be clearly visible.
203K	
<b>203k/Work Bids</b>	All 203k report must contain a copy of the following: <ul style="list-style-type: none"> <li>-Streamline – Bids of the required work provided to the appraiser.</li> <li>-Full 203K – An FHA approved 203k consultants write up of bids is required.</li> </ul>
<b>Required 203K Commentary</b>	For a 203K assignments, AMC requires that the appraiser distinguish between condition deficiencies affecting safety, security, structural soundness, etc. and those that are merely cosmetic in nature. Health and safety deficiencies should always be made 'subject-to' repair, while cosmetic deficiencies should be identified but not conditioned and addressed with a cost-to-cure adjustment.
FHA	
<b>Case #</b>	The case # should be reflected on all pages uploaded
<b>Intended User Statement</b>	The intended user statement should reflect the client and FHA/HUD.
<b><u>Overhead Electric Power Lines</u></b>	Appraiser must report if power lines pass directly over the dwelling, pool, water features or any other structure on the property or if the subject is within the fall zone of the tower/power lines.
<b>Non-Residential Use</b>	If any portion of the subject property has a non-residential use that is legally permitted and conforms to current zoning requirements, the appraiser must calculate the non-residential portion of the total floor area and it may not exceed 49%. 51% of the entire building must be for residential use.
<b>Site Condominium</b>	Site Condominiums refer to a project of single family, totally detached dwellings encumbered by a declaration of condominium covenants or a condominium form of ownership. The appraiser must report the appraisal on Fannie Mae Form 1073/Freddie Mac Form 465, <i>Individual Condominium Unit Appraisal Report</i> .

# Appraisal Links Quality Standards

Form 1004	
FHA - Continued	
<p><b>Attic &amp; Crawl</b></p>	<p>If the subject has an attic or crawl:</p> <p><b>Attic Observation Requirements – Photos Required</b></p> <ul style="list-style-type: none"> <li>•The Appraiser must observe the interiors of all attic spaces.</li> <li>•The Appraiser is not required to disturb insulation, move personal items, furniture, equipment or debris that obstructs access or visibility. <b>If unable to view the area safely in their entirety, the Appraiser must contact the AMC/Mortgagee and reschedule a time when a complete visual observation can be performed, or complete the appraisal subject to inspection by a qualified third party. In cases where access through a scuttle is limited and the Appraiser cannot fully enter the attic, the insertion of at least the head and shoulders of the Appraiser will suffice.</b></li> <li>•If there is evidence of a deficient condition (such as a water-stained ceiling, insufficient ventilation, or smell of mold), the Appraiser must report this condition, and render the appraisal subject to inspection and repairs if necessary.</li> <li>•If there is no access or scuttle, the Appraiser must report the lack of accessibility to the area in the appraisal report. There is no requirement to cut open walls, ceilings or floors.</li> <li>•An observation performed in accordance with these guidelines is visual and is not technically exhaustive.</li> </ul> <p><b>Crawl Space Observation Requirements – Photos Required</b></p> <p><b>The Appraiser must visually observe all areas of the crawl space</b> and notify the Mortgagee of the deficiency of MPR (Min property requirements) and MPS (Min property Standards) when the crawl space does not satisfy any of the following criteria:</p> <ul style="list-style-type: none"> <li>•The floor joists must be sufficiently above ground level to provide access for <b>maintaining</b> and repairing ductwork and plumbing.</li> <li>•If the crawl space contains any system components, <b>the minimum required vertical clearance is 18 inches</b> between grade and the bottom of the floor joists.</li> <li>•The crawl space must be properly vented unless the area is mechanically conditioned.</li> <li>•The crawl space must be free of trash, debris, and vermin.</li> <li>•The crawl space must not be excessively damp and must not have any water pooling. If moisture problems are evident, a vapor barrier and/or prevention of water infiltration must be required.</li> </ul> <p><b>In cases where access through a scuttle is limited, and the Appraiser cannot fully enter the crawl space, the insertion of at least the head and shoulders of the Appraiser will suffice.</b></p>
<p><b>Storage Tanks</b></p>	<p>Stationary Storage tanks (Oil, gas, etc.) above or below ground must be addressed in commentary. The appraiser must report if there are signs of leakage and the effects they have on the marketability.</p>

# Appraisal Links Quality Standards

<b>**Form 1004</b>	
<b>FHA - Continued</b>	
<b>Mineral and Oil Reservations</b>	The appraiser must analyze and report the degree to which residential benefits may be impaired or the property damaged by the exercise of rights set forth in oil and gas and mineral reservations. (Analyze and include a summary of the effect that includes: 1) Impairment; 2) Property Damage; or 3) Environmental Concerns.
<b>Mining Areas</b>	In mining areas, the Appraiser must analyze and report the depth or extent of mining operations and the site of operating or abandoned shafts or tunnels to determine if the danger is imminent, probable or negligible.
<b>Security Bars*</b>	The appraiser must report when the property has security bars on bedroom windows or doors. Appraiser must also comment if quick releases are installed and if they meet city code.
<b>Soil &amp; Drainage</b>	The appraiser MUST observe, analyze and report on the readily observable soil conditions, the readily observable grade, and the readily observable site conditions including, but not limited to, drainage.
<b>Accessory Dwelling Unit (ADU)</b>	<p>An Accessory Dwelling Unit (ADU) refers to a habitable living unit added to, created within, or detached from a primary one-unit Single Family dwelling, which together constitute a single interest in real estate. It is a separate additional living unit, including kitchen, sleeping, and bathroom facilities. As part of the highest and best use analysis, the Appraiser must make the determination to classify the Property as a Single Family dwelling with an ADU, or a two-family dwelling. The conclusion of the highest and best use analysis will then determine the classification of the Property and the analysis and reporting required.</p> <p>An ADU is usually subordinate in size, location and appearance to the primary Dwelling Unit and may or may not have separately metered utilities or separate means of ingress or egress. The Appraiser must not include the living area of the ADU in the calculation of the Gross Living Area (GLA) of the primary dwelling.</p> <p>The Appraiser must notify the Mortgagee of the deficiency in MPR or MPS if more than one ADU is located on the subject Property.</p> <p><b>***ADU's are NOT acceptable for 1025 (Multi-Families)</b></p>
<b>Comparable Sales History</b>	Appraiser must report the dates and prices of any prior sale that occurred within three (3) years of the effective date of the appraisal.
<b>Comparables 1-3</b>	Comparables 1-3 must be within 12 months of the effective date.
<b>Water Heater*</b>	The appraiser must examine the water heater to ensure that it has a temperature and pressure-relief valve with piping to safely divert escaping steam or hot water. If does not meet MPR report to be completed "subject to."
<b>FHA Min Requirements Comment*</b>	The appraiser is to provide the following comment: The subject meets HUD minimum property standards for existing dwellings as outlined in the HUD Handbooks 4000.1.

# Appraisal Links Quality Standards

Form 1004	
FHA - Continued	
<b>Well &amp; Septic</b>	<p>Appraiser is to comment if Well &amp; Septic meet min FHA requirements.</p> <ul style="list-style-type: none"> <li>-If the appraiser cannot identify location of the well &amp; septic, provide commentary and disclose if they saw any negative items (standing water over tank area, smells, etc).</li> <li>-Appraiser to disclose if Public Utilities are available.</li> <li>- If the Property has a Shared Well, the Appraiser must report it and note any readily observable deficiencies. The Appraiser must also obtain a Shared Well Agreement and include it in the appraisal report so that the Mortgagee may review the agreement to determine eligibility. The Appraiser must also require an inspection under the same circumstances as an individual well.</li> </ul>
<b>Subject Photos</b>	<ul style="list-style-type: none"> <li>-Photos of all sides of the subject are required.</li> <li>-A photo of any item that may negatively affect the subject's value.</li> </ul>
<b>Comparable Photos</b>	<p>Current, <b>original</b> (non-MLS) photos of all comparables (sales, pendings and actives) are required to verify the appraiser's inspection of comparables from the street. An MLS photo is acceptable, as an additional photo, when a compliant original cannot be obtained (i.e. gated community, wooded site, blocked view, people in yard, etc.) In such situations, a supplemental MLS photo should be provided with commentary:</p> <ol style="list-style-type: none"> <li>1) Confirming that the comparable was inspected by the appraiser from the street</li> <li>2) Explaining the reason the MLS photo was used.</li> </ol> <ul style="list-style-type: none"> <li>- Comparable photos are to be shot at an angle, such that one of the sides is available.</li> </ul>
<b>Sketch</b>	<p>Appraiser must reflect all Porches/Patios/decks and disclose on the sketch if they are covered or uncovered.</p> <ul style="list-style-type: none"> <li>-Show the location of the wells and septic system and note distances, if available.</li> <li>-showing all exterior dimensions including: house, patios, porches, garages, breezeways and other offsets.</li> </ul>
<b>Paint</b>	<ul style="list-style-type: none"> <li>-If chipping/Peeling paint on homes built prior to 1978 is noted, Photos and commentary is provided. The report should be "subject to" the remedy of those noted.</li> <li>-Any exterior bare wood should be disclosed and the report made "subject to" it's covering with paint or sealant.</li> </ul>
<b>Roof*</b>	<p>The Appraiser must report if the roof has less than two years of remaining life and make the appraisal subject to inspection by a professional roofer.</p> <p>When the Appraiser is unable to view the roof, the Appraiser must explain why the roof is unobservable and report the results of the assessment of the underside of the roof, the attic, and the ceilings.</p>
<b>Pools</b>	<p>Swimming pools must be operational. If the pool has been winterized, the appraiser must complete the appraisal with the extraordinary assumption that the pool and its equipment can be restored to full operating condition at normal cost.</p>

# Appraisal Links Quality Standards

Form 1004	
Manufactured Homes - **1004C**	
Ineligible	<ul style="list-style-type: none"> <li>• USDA Transactions</li> <li>• FNMA Homestyle Renovation Transactions</li> <li>• FNMA Condo &amp; Pud Projects</li> <li>• Single wide Manufactured homes</li> <li>• Co-operatives (Co-ops)</li> </ul>
Conventional Requirements	<ul style="list-style-type: none"> <li>• Must verify that both the manufactured home and the land are legally classified as real property under applicable state law</li> <li>• Must have a minimum of <b>600</b> square feet of gross living area</li> <li>• Refer to Fannie Mae Selling Guide Part B5-2 Manufactured Housing section for additional information and the Program matrix for Program eligibility details.</li> </ul>
FHA Requirements	<ul style="list-style-type: none"> <li>• Single-width manufactured homes are <b>not</b> permitted.</li> <li>• Must verify that both the manufactured home and the land are legally classified as real property under applicable state law (but need not be treated as real estate for the purposes of state taxation)</li> <li>• Owner –occupied single family residence only</li> <li>• Must be designed as a <b>one-family</b> dwelling and have a floor area of <b>not</b> less than <b>400</b> square feet</li> <li>• Must have the HUD Certification Label affixed or have obtained a letter of label verification issued on behalf of HUD, evidencing the house was constructed <b>on or</b> after June 15, 1976, in compliance with the Federal Manufactured Home Construction and Safety Standards</li> <li>• Must be designed to be used as a dwelling with a permanent foundation built in accordance with the Permanent Foundations Guide for Manufactured Housing (PFGMH) – PFGMH Certification required</li> <li>• Must have been directly transported from the manufacturer or dealership to the site</li> <li>• The Finished grade elevation beneath the Manufactured Home or, if a basement is used, the grade beneath the basement floor is at or above the 100-yr return frequency flood elevation</li> </ul>

# Appraisal Links Quality Standards

<b>Form 1004</b>	
<b>USDA</b>	
<b>Intended user statement</b>	The intended user statement should reflect the client and USDA.
<b>FHA Requirements</b>	<b>All FHA guidelines and commentary should be provided in the report except for:</b> <b>-Case number is not required.</b> <b>-The intended user statement is altered to reflect USDA not FHA.</b>
<b>FHA Roster Appraiser Comment</b>	A comment stating the appraiser is an FHA Roster Appraiser is required within the appraisal.
<b>Leasehold</b>	
<b>Lease Requirements</b>	The following is required for leasehold estate mortgage loans. <ol style="list-style-type: none"> <li>1) Two (2) similar leasehold comparables must be provided</li> <li>2) Commentary that leaseholds are typical or common in the market</li> <li>3) Must designate leasehold on the grid for the subject and each comparable</li> <li>4) Appraiser must develop a thorough, clear, and detailed narrative that identifies the terms, restrictions, and conditions regarding the lease agreement or ground leases and include this information in the commentary.</li> <li>5) Appraiser must discuss what effect, if any, the terms, restrictions, and conditions of the lease agreement or ground lease have on the value and marketability of the subject property.</li> </ol>
<b>FNMA HomeStyle Assignments</b>	
<b>'Homestyle' Refinance</b>	For FNMA 'Homestyle' REFINANCE assignments, appraisals provided to be valued 'as completed' ('subject to') value.
<b>Freddie Mac - Solar Panels</b>	
<b>Solar Panels - Owned</b>	Solar Panels owned by the Borrower: <ol style="list-style-type: none"> <li>1) Appraiser must acknowledge and state ownership within the report</li> <li>2) Appraiser must consider in the opinion of value</li> <li>3) Property must maintain access to electric utilities consistent with community standards.</li> </ol>
<b>Freddie Mac – Solar Panels</b>	
<b>Solar Panels - Leased</b>	Solar Panels subject to a Lease Agreement or Power Purchase type Agreement(PPA): <ol style="list-style-type: none"> <li>1) Must <b>NOT</b> be considered in value.</li> <li>2) Property must maintain access to electric utilities consistent with community standards.</li> </ol>
<b>Modular</b>	
<b>Modular Comparable</b>	Comparables may be stick built or modular. AMC requires at least 1 similar Modular Comp (may be dated) or detailed commentary to denote the search parameters and lack of availability.
<b>Modular Commentary</b>	Appraiser to address the marketability and comparability of modular homes.
<b>Modular Tag Photo</b>	Photo of Modular Tag must be provided. (reference: <a href="http://www.ibts.org/services/services-in-the-public-good/manufactured-and-modular-housing-expertise/modular-home-state-certification-labels.html">http://www.ibts.org/services/services-in-the-public-good/manufactured-and-modular-housing-expertise/modular-home-state-certification-labels.html</a> )
<b>Modular Crawl Photo</b>	Photo of crawl and underside of subject (if accessible) must be provided or reason why it was not available.
<b>Modular Classification</b>	Modular must be legally taxed and classified as Real Property



# Appraisal Links Quality Standards

Form 1073	
General Requirements in addition to those applicable in 1004 Section	
<p><b>Stop and Notify Condominium Hotels/Condotels</b></p>	<p>1) FNMA GUIDELINE - POTENTIAL LIABILITY ISSUE - The guideline requires that the appraiser research to determine if ANY part of the Subject's project includes features and/or characteristics that may make the Subject property ineligible for GSE financing (e.g. FNMA, Freddie Mac, etc.).</p> <p>The appraiser must attempt to discover this information by:</p> <ol style="list-style-type: none"> <li>1) Searching the internet for project advertisements</li> <li>2) Interviewing the homeowner, management agent, and developer</li> </ol> <p>This will also require the appraiser to perform a thorough inspection of both the unit and the project during the site visit.</p> <p><b>** IMPORTANT: If ANY of the following characteristics are present in the project, STOP &amp; IMMEDIATELY contact Lender.</b></p> <ol style="list-style-type: none"> <li>1) Project offers rentals of units on a DAILY or SHORT TERM basis.</li> <li>2) Project restricts the owner's ability to occupy the unit or change the interior decor.</li> <li>3) Project includes the words 'Hotel', 'Motel', or 'Resort' in the name or legal description or has been converted to condominiums from a hotel or motel.</li> <li>4) Project is located within a beachfront or known resort area or has few (less than 50%) owner occupants.</li> <li>5) Project offers any of the following:  <ul style="list-style-type: none"> <li>Central Telephone System, Room Service, Units that lack full size kitchen(s)/appliances, Daily Cleaning Service, Publicly Advertised Rental Rates, Registration Service (Front Desk and/or Concierge), Franchise Agreements, Central Key Systems, or non-incidentual business operations (Restaurant, Spa, Health Club, etc.) that are owned, or managed by the HOA or developer.</li> </ul> </li> </ol>
Project Information Section	
<p><b>New Subdivision or Recently Converted</b></p>	<p>Condo Project For properties in new subdivisions or for units in new (or recently converted) condominium, the following must be included:</p> <ol style="list-style-type: none"> <li>1) The sales contract date and the construction completion date (or scheduled completion date).</li> <li>2) Appraiser to comment if there have been any changes in market conditions between the date of the sales contract and the date of the appraisal.</li> <li>3) Comparable closed sales for properties both within and outside the Subject subdivision or project.</li> <li>4) The builder name of the Subject property and the builder(s) of all newly constructed comparable sales and/or listings.</li> </ol>

# Appraisal Links Quality Standards

Form 1025	
General Requirements in addition to those applicable in 1004 Section	
<b>ADU</b>	ADUs not acceptable for 1025.
<b>Multipliers for Units/Rooms/Bedrooms</b>	Multipliers for Units/Rooms/Bedrooms should be bracketed by the adjusted price per unit Units/Rooms/Bedrooms of the comparables. If not available, provide additional commentary explaining how appraiser derived their multipliers to calculate value per Units/Rooms/Bedrooms.
<b>Subject/Multiple Buildings Exterior photos required</b>	If units for a multifamily are located in multiple buildings, separate photos are required. Label them accordingly so that the reader of the report can identify the photos for each building and unit(s).