



AXIS Appraiser Guidance for GSE Temporary Inspection Flexibility During COVID 19 Pandemic

March 30, 2020 3:00 pm

In order to provide some flexibility in appraisal forms during the COVID 19 Pandemic, the GSE's are allowing either a desktop or an exterior inspection appraisal for a limited group of loans, **only** if a full appraisal is not feasible due to health and safety issues. Please do not choose a different product without direct approval from AXIS.

These include:

- **Desktop** for purchase loans being sold to the GSEs
- **Exterior Appraisal** for some refinances being sold back to the GSEs, in which the same GSE already has the loan and data on file.

If we send you either type of order, here is what you need to know:

Appraisals - Property Inspections and USPAP:

Appraisers and users of appraisal services should remember that USPAP does not require an inspection unless necessary to produce credible assignment results (refer to USPAP Standards Rule 1-2, Standards Rule 2-2, and Advisory Opinion 2 for further guidance).

When an interior inspection would customarily be part of the scope of work, a health or other emergency condition, or an assignment condition may restrict or prohibit an appraiser's ability to perform inspections of real property. This may require an appraiser to make an extraordinary assumption about the physical characteristics of a property. This is permitted by USPAP as long as the appraiser has a reasonable basis for the extraordinary assumption and as long as its use results in a credible analysis. Be sure to clearly summarize the scope of work performed, the extraordinary assumptions employed in the appraisal, and include a statement that its use may have affected the assignment results.

The revised scope of work and certification (See Addendums) removes the requirement for the appraisal to be submitted "subject to" an extraordinary assumption. If adequate information about the subject property is not available from a credible source, then the desktop or exterior-only inspection appraisal is not acceptable. Appraisers must have data sources they consider reliable. The assumption that data sources are correct is not considered an extraordinary assumption.

DESKTOP

The Desktop is completed on a full appraisal form but is really a new product and can be done for a single family, condo, co-op, multi-family, or manufactured home form (1004, 1073, 2090, 1025, or 1004c). The critical differences are as follows:

- You will gather your interior inspection data differently than physically inspecting. This can include MLS photos, interviews with current or prior realtors, homeowner interviews and photos, assessor, building permit, Google Earth, etc... The intended users will be relying on your analysis of the data you gather.
- **If at any point in the process, you determine there is not enough data to develop a credible opinion of value, please contact us. It may be that we will need to reinstate the traditional order.**
- No typically completed fields on the form may be left blank and/or may not be replaced with unknown or N/A.
- Fannie and Freddie will know that you did not inspect the property in a few different ways:

- Type the Word “DESKTOP” into the Map Reference Field of the form.
- Copy and paste the entire text from the attached Addendum A into your report. Please make sure to read it as this text will replace the Scope of Work, Assumptions, Limiting Conditions, and Certifications that exist in the form. It must be in text format and not a scanned in pdf. Appraisal Foundation has also ruled this as compliant.

EXTERIOR APPRAISAL

While you are likely familiar with the “drive-by” appraisal, the following form types can be used as a drive-by form: 2055, 1075, 2095, 1004C, or 1025 and there are a few key differences:

- You are allowed, even encouraged, to communicate with the homeowners. Let them know when you will be doing a visual exterior inspection and pull into the driveway or parking lot to get better photos and a better view of the exterior of the property. Feel free to ask them questions as well over the phone.
- **If at any point in the process, you determine there is not enough data to develop a credible opinion of value, please contact us. It may be that we will need to reinstate the traditional order.**
- Fannie and Freddie will know that you did not inspect the property in a few different ways:
 - Type the Word “EXTERIOR” into the Map Reference Field of the form.
 - Copy and paste the entire text from the attached Addendum B into your report. Please make sure to read it as this text will replace the Scope of Work, Assumptions, Limiting Conditions, and Certifications that exist in the form. It must be in text format and not a scanned in pdf. Appraisal Foundation has also ruled this as compliant.

If you have any questions, please reach out to AXIS, we are here to help successfully navigate your valuation needs during this challenging time period. Lastly, we have included Fannie Mae’s Appraisal FAQs as Addendum C for your review. Please note that at this time, Freddie Mac’s Guidance is exactly the same. In all cases, it is prudent to add a comment about Covid-19 as it pertains to your market.



Modified Set of Instructions, Scope of Work, Statement of Assumptions and Limiting Conditions, and Certification for Desktop Appraisals

For Desktop Appraisals Using COVID-19 Temporary Flexibilities and Reported on Fannie Mae Form 1004, 1073, 1025, 1004C, or 2090

INSTRUCTIONS

- 1) In your appraisal report, enter the word “desktop” in the Map Reference field.
- 2) Copy the *entire text* below, including the word “DESKTOP,” and paste it into your report.

DESKTOP

This modified set of instructions, Scope of Work, Statement of Assumptions and Limiting Conditions, and Certification replaces and supersedes the corresponding sections of the appraisal report to which this language is attached as an addendum. It is authorized and used with the express permission of Fannie Mae and Freddie Mac as of March 23, 2020. Any signatures attached to the original appraisal report and certifications are incorporated and apply to these revised sections.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, or definition of market value are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Additional modifications or deletions to this revised set of certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser’s continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) obtain and review adequate and reliable information for the subject property, and the subject project (where applicable) including, but not limited to, public and/or private data records, and information as described by the appraiser in the appraisal report, (2) research, verify, and analyze adequate and reliable data from public and/or private sources for the subject market area including data for each comparable property reported, and, (3) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily



identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third-party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. If the appraiser has included a floor plan in this appraisal report, it shows the approximate dimensions of the improvements. If included, the floor plan is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has relied on data provided by third parties in this appraisal report. Such data may include, but is not limited to, flood maps, multiple listing real estate services, tax assessment records, public land records, satellite imagery, virtual street views, property data services, surveys, engineering reports, and property data aggregations. After examination of the data and data sources, the appraiser has used only the data he or she considers reliable. The appraiser assumes there are no material omissions and makes no guarantees, express or implied, regarding the accuracy of this data.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I did not perform a personal visual inspection of the subject property as part of this appraisal assignment. I reported the condition of the improvements in factual, specific terms, relying on subject property information from third-party data sources. I reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.



4. I developed my opinion of the market value of the real property or cooperative interest (where applicable) that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. [RESERVED]
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, including the subject project (where applicable), subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).



19. I personally prepared all conclusions and opinions about the real estate or cooperative interest (where applicable) that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.



Modified Set of Instructions, Scope of Work, Statement of Assumptions and Limiting Conditions, and Certification for Appraisals with Exterior-only Inspection

For Exterior-Only Appraisals Using COVID-19 Temporary Flexibilities and Reported on Fannie Mae Form 2055, 1075, 2095, 1004C, or 1025

INSTRUCTIONS

- 1) In your appraisal report, enter the word “exterior” in the Map Reference field.
- 2) Copy the *entire text* below, including the word “EXTERIOR,” and paste it into your report.

EXTERIOR

This modified set of instructions, Scope of Work Statement of Assumptions and Limiting Conditions, and Certification replaces and supersedes the corresponding sections of the appraisal report to which this language is attached as an addendum. It is authorized and used with the express permission of Fannie Mae and Freddie Mac as of March 23, 2020. Any signatures attached to the original appraisal report and certifications are incorporated and apply to these revised sections.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, or definition of market value are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Additional modifications or deletions to this revised set of certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser’s continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a visual inspection of the exterior areas of the subject property from at least the street, (2) inspect the neighborhood, including the condominium or cooperative project, if applicable (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.



***Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third-party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.**

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

- 1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.**
- 2. If the appraiser has included a floor plan in this appraisal report, it shows the approximate dimensions of the improvements. If included, the floor plan is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.**
- 3. The appraiser has relied on data provided by third parties in this appraisal report. Such data may include, but is not limited to, flood maps, multiple listing real estate services, tax assessment records, public land records, satellite imagery, virtual street views, property data services, surveys, engineering reports, and property data aggregations. After examination of the data and data sources, the appraiser has used only the data he or she considers reliable. The appraiser assumes there are no material omissions and makes no guarantees, express or implied, regarding the accuracy of this data.**
- 4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.**
- 5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.**
- 6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.**

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

- 1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.**
- 2. I performed a personal visual inspection of the exterior of the subject property, from the street, as part of this appraisal assignment. I reported the condition of the improvements in factual, specific terms, relying on subject property information from third-party data sources. I reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.**



3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property or cooperative interest (where applicable) that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. [RESERVED]
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, including the subject project (where applicable), subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.



18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate or cooperative interest (where applicable) that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.



5. **If this appraisal report was transmitted as an “electronic record” containing my “electronic signature,” as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.**

Addendum C - FANNIE MAE FAQs

Q13. May a desktop or exterior only inspection appraisal report completed using the appraisal flexibilities offered by Lender Letter LL-2020-04 include photos or other information provided by the borrower/owner? “UPDATED”

Yes. Consistent with USPAP, appraisers are permitted to consider and develop any information deemed credible. It is important to note, certification #10 has been removed in recognition that the appraiser may have relied on information from an interested party to the transaction (borrower, realtor, property contact, etc.) and additional verification may not have been possible.

Q14. How will the appraiser be able to obtain subject photos for a desktop appraisal report?

Photos can be obtained from sources such as third-party websites, owners, or listing services, etc. NOTE: Any use restrictions on photos must be honored.

Q15. What if adequate information is not available for the appraisal?

Appraisers may use information in MLS, reach out to the broker, homeowner, public records, and/or other online tools such as satellite imagery and street views to obtain the necessary property information. A good faith effort should be used to provide information that the appraiser believes is reasonable. If adequate information about the subject property is not available, the mortgage will not be eligible for sale to us until the appraiser has sufficient information to complete the desktop appraisal or an appraisal with an exterior-only inspection.

Q16. Why does Fannie Mae allow the desktop appraisal for purchase but not refinances?

Homes available for purchase are the most likely to have current photos and data concerning the subject property. Refinances may have very dated information in the MLS, if any at all. Having the appraiser complete an exterior inspection provides current information about the home's condition that might not be available otherwise. Reminder, for refinances of non-Fannie Mae owned loans and all cash-out refinances, we continue to require a traditional appraisal.

Q17. What form should be used for a desktop appraisal obtained in accordance with the temporary COVID-19 flexibilities announced in Lender Letter LL-2020-04?

As noted in LL-2020-04, the following forms can be used to complete a desktop appraisal:

- Uniform Residential Appraisal Report (Form 1004)
- Individual Condominium Unit Appraisal Report (Form 1073)
- Individual Cooperative Interest Appraisal Report (Form 2090)
- Small Residential Income Property Appraisal Report (Form 1025)
- Manufactured Home Appraisal Report (Form 1004C)

Other desktop appraisal forms are not allowed for a Fannie Mae-eligible loan.

Q18. What form should be used for an exterior-only inspection appraisal obtained in accordance with the temporary COVID-19 flexibilities announced in Lender Letter LL-2020-04?

As noted in LL-2020-04, the following forms can be used to complete an exterior-only appraisal:

- Exterior-Only Inspection Residential Appraisal Report (Form 2055)
- Exterior-Only Inspection Individual Condominium Unit Appraisal Report (Form 1075)
- Exterior Only Individual Cooperative Interest Appraisal Report (Form 2095)
- Small Residential Income Property Appraisal Report (Form 1025)
- Manufactured Home Appraisal Report (Form 1004C)

Other exterior-only or drive-by appraisal forms are not allowed for a Fannie Mae-eligible mortgage.

Q19. Why is Fannie Mae requiring the appraisal include the entry “desktop” in the Map Reference # field of the appraisal report?

This helps identify the scope of work completed. Because we are permitting desktop appraisals to be completed on forms that are typically used for interior and exterior inspection appraisals, we will be relying on the text in the Map Reference # field to identify the type of appraisal (desktop) completed. It is critical that the Map Reference # field show “desktop” when applicable.

Q20. Why is Fannie Mae requiring the appraisal include the entry “exterior” in the Map Reference # field of the appraisal report?

This helps identify the scope of work completed. Because we are permitting exterior-only appraisals to be completed on forms that are typically used for interior and exterior inspection appraisals, we will be relying on the text in the Map Reference # field to identify the type of appraisal (exterior-only) completed. It is critical that the Map Reference # field show “exterior” when applicable.

Q21. Will desktop appraisals still be scored by Collateral Underwriter® the same way?

Yes, desktop appraisals completed on Forms 1004 and 1073 will be scored by Collateral Underwriter just as traditional appraisals are scored when these forms are used.

Q22. Will mortgages with desktop appraisals be eligible for representation and warranty relief for value?

Yes. When a desktop appraisal is obtained using Uniform Residential Appraisal Report (Form 1004) , or Individual Condominium Unit Appraisal Report (Form 1073) , and submitted to Uniform Collateral Data Portal® (UCDP®), the appraisal will be assessed for valuation representation and warranty relief in Collateral Underwriter. All appraisals with a risk score of 2.5 or less that meet the requirements of the Selling Guide will receive valuation representation and warranty relief.

Q23. How should an appraiser include the revised scope of work, statements of assumptions and limiting conditions, and appraiser’s certifications in the appraisal report?

The modified scope of work, statements of assumptions and limiting conditions, and appraiser’s certifications addressed in the Lender Letter must be copied and pasted, in its entirety, into a text addendum, with no edits or alterations. This may be done on a separate text addendum form, or as part of a general text addendum.

Q24. Must a desktop appraisal or exterior-only inspection appraisal report be submitted “subject to” an extraordinary assumption?

The revised scope of work and certification removes the requirement for the appraisal to be submitted “subject to” an extraordinary assumption. If adequate information about the subject property is not available from a credible source, then the desktop or exterior-only inspection appraisal is not acceptable. Appraisers must have data sources they consider reliable. The assumption that data sources are correct is not considered an extraordinary assumption.

Q25. Lender Letter LL-2020-04 says that reports for desktop appraisals must include subject photos. What photos are required?

At a minimum, there must be a front photo of the subject property. Additionally, in order to pass through automated review systems used by many lenders and AMCs, it may be necessary for the report to include all photos required for an appraisal based on an interior and exterior inspection. In such cases, an appraiser should include all photos that are available. Except for the required front photo, for photos that are not available, an appraiser may include a photo of a statement saying that the photo was not available.

Q26. Does an appraisal report have to include subject property and comparable sales photos when the report is an exterior-only appraisal assignment? “UPDATED”

An exterior only appraisal must include a front photograph of the subject on a subject photo page. The appraiser may use photos obtained from credible and reliable sources to represent the subject and comparables used on the appraisal. Although not required the presence of a comparable photos page, with images, may be necessary to allow the appraisal report to pass automated review systems.

Q27. Are manufactured homes and two- to four-unit properties covered even though there is no exterior-only appraisal form to support them?

We will allow lenders to use Interior/Exterior forms for two- to four-unit and manufactured homes with the appropriate scope of work, statements of assumptions and limiting conditions, and appraiser’s certifications provided with Lender Letter LL- 2020-04.

Q28. Manufactured home appraisals require specific, and detailed information from the HUD Certification Label. How will the appraiser obtain this information for desktop appraisals and exterior-only inspection appraisals?

For exterior-only inspection appraisals, the appraiser may obtain a photo of the HUD Certification Label, provided they are given permission by the property owner to access the site. For a desktop appraisal, the appraiser may request the owner or an individual that has access to the property to provide a photo of the HUD Certification Label and deliver it via email or other means to the appraiser.

With both the desktop and drive-by appraisal, the appraiser may request the borrower, owner, or an individual that has access to the property interior to provide a photo of the HUD Data Plate. The appraiser will need to communicate with the lender or AMC to ensure there is sufficient information available to complete the assignment type ordered.

Q29. When obtaining a desktop or exterior only appraisal, does the lender need to document that they attempted to obtain a traditional appraisal and were not successful due to COVID-19? “NEW”

No. Lender Letter LL-2020-04, Impact of COVID-19 on Appraisals, lists the appraisal types that are suitable for each transaction type while maintaining prudent and responsible lending practices. Lenders delivering mortgages with one of the permitted flexibilities are not required to provide documentation showing that they could not obtain a traditional appraisal due to COVID-19. Lenders are empowered to exercise the flexibilities as described in the lender letter.

Q30. How should a lender address markets with “shelter in place” mandates where appraisers are not deemed an essential workforce? “NEW”

Lenders may use flexibilities described in our lender letter. Travel restrictions will likely vary from location to location, and lenders and appraisers should comply with all applicable requirements in their jurisdiction. There may be instances where an appraisal simply cannot be obtained until circumstances change.

Q31. Does an appraisal that includes the revised scope of work, statements of assumptions and limiting conditions, and appraiser’s certifications provided in LL-2020-04 also need an extraordinary assumption to address when information was provided by a party that may have a financial interest in the transaction? “NEW”

No. As stated in LL-2020-04, the appraiser’s certification #10 was removed recognizing that the appraiser may have to rely on information from an interested party to the transaction (borrower, real estate agent, property contact, etc.) and additional verification may not be possible. The removal of this certification acknowledges this could affect the assignment’s results. If adequate information is not available to complete the appraisal, the appraisal cannot be completed.

Q32. What guidance can lenders provide to appraisers who claim it is a violation of USPAP to complete a desktop appraisal using forms designed for traditional appraisals, like the Form 1004/70? “NEW”

The Appraisal Standards Board has issued guidance specific to this topic. They indicate that, with proper disclosure, the modified appraisal report form does not result in a misleading appraisal report or a violation of USPAP. The published Q&A can be found on The Appraisal Foundation website.