



March 30, 2020

Dear AXIS Panel Appraiser,

The amount of misinformation and confusion in the valuation space seems to be growing exponentially. We thought it might be helpful for us to send you a brief note to clarify a few key items.

Last week we updated you on the GSE's policy regarding when and where a Desktop or Exterior Inspection Appraisal could be utilized instead of a Full Interior/Exterior Appraisal. Today we are updating you on the increased flexibility that HUD and some private investors have implemented:

Here are the new temporary guidelines for FHA Appraisals during the Covid19 Pandemic:

Changes to FHA's Appraisal Protocols are as follows:

- Most Single Family forward and HECM for Purchase transactions may utilize an optional Exterior-Only or Desktop-Only Appraisal inspection scope of work.
- Traditional HECM, HECM-to-HECM refinances, Rate and Term Refinances and Simple Refinances of properties may utilize an optional Exterior-Only inspection scope of work.
- All appraisals made in connection with the servicing of FHA's forward or reverse mortgage portfolios may utilize either the Exterior-Only or Desktop-Only Appraisal inspection scope of work.
- **No changes are made to Streamline Refinances, which do not require appraisals or to the appraisal requirements for FHA's Cash-Out refinance, 203(k), and certain purchases.**

Upon receipt of an order we will determine with the lender what appraisal option is permissible and whenever possible will order a Desktop or Exterior with you at the time of the assignment. Please do not switch assignment types without consultation with us. Furthermore, and this is important, **FHA will not allow the use of form 2055 or 1075**. If we order an Exterior with you, it will still be completed on the 1004, 1073, 1025 or 1004c form but will be labeled exterior with new certs. This is different from the GSE Exterior directions and understandably can be confusing.

Further confusing the definition of Exterior Appraisal is that some non-government investors are now allowing a true Exterior on the 2055 or 1075 with no specialized additional language. Also, **USDA** loans have the following guidance:

For purchase and non-streamlined refinance transactions, when an appraiser is unable to complete an interior inspection of an existing dwelling due to concerns associated with the COVID-19 pandemic, an "Exterior-Only Inspection Residential Appraisal Report", (FHLMC 2055/FNMA 2055) will be accepted. In such cases, appraisers are not required to certify that the property meets HUD HB 4000.1 standards. The appraisal must be completed in accordance with the Uniform Standards of Professional Practice (USPAP) and the Uniform Appraisal Dataset (UAD).

This exception is not applicable to new construction properties or construction to permanent loans. As a reminder, appraisals are not required for streamlined and streamlined-assist refinance transactions.

You might ask, "what is an appraiser to do?" We are here to help! Please read the uploaded engagement letter for each assignment and read the messages in the order history as we will provide clarification with each order we send. Finally, if you have questions please call us or email covid_directives@axis-amc.com.

While more and more flexibility is being granted, we still have other orders requiring a full appraisal. Please remember that if you choose not to accept such an assignment, we fully support your choice and there will be no reprisals. If you are going to take the assignment, however, please review and follow our protocols to help minimize your risk of exposure and/or transmission. We also have tried to compile as many known state and municipal health orders on our website. They can be found [here](#).

Be well & be safe!



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