



In consideration of [FHA guidance](#) and the temporary inspection flexibilities offered; AXIS recommends the following process to ensure that qualified FHA loan appraisal products are completed for lenders in accordance with FHA requirements:

Prior to ordering an appraisal, the loan parameters should be researched and reviewed by the lender to determine if the loan is eligible for an alternative product as outlined per FHA guidance:

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.**

Once eligibility is determined the appraisal order will be placed as follows:

If eligible – the appraisal ordered is placed for the traditional product (1004, 1073 etc.) with the following message:

"Please complete an Exterior or Desktop Appraisal per FHA Guidance related to COVID-19."

If NOT eligible – "Not eligible for Exterior or Desktop Appraisal." AXIS will determine quickly if a traditional order is feasible in the specified municipality or if the order will be placed on hold due to access limitations with appraisers and/or the homeowner.

For eligible FHA loans & per FHA guidance, **Exterior and Desktop Appraisals may not be completed on 2055 or 1075 forms.** AXIS will assign as follows and require the appraiser to provide amended certifications and clear scope of work disclosures:

- Purchases: 1004 Desktop OR 1004 Exterior (or equivalent full form for other property types such as 1073 for a condominium). Note: FHA has not approved the use of the 2055 or 1075 form.
- Refinance: Exterior Appraisal (Desktop is not an option).

After placement is confirmed AXIS will post the following message: AXIS has confirmed that the appraiser will complete the following product type _____. Estimated delivery is _____ and fee is _____.

Please note, the 1004 Desktop and 1004 Exterior requires the appraiser to communicate with the borrower, review and analyze a greater number of datapoints and complete the full 1004 form without the benefit of an interior inspection. This greater level of research and analysis requires the full fee of a traditional appraisal. **If at any point in the process, the appraiser determines there is not enough data to develop a credible opinion of value without completing an interior inspection, the appraiser must return to a traditional appraisal and the order will be placed on hold until it is safe to perform an interior inspection.**

If you have any questions, please reach out to AXIS by reply to this email or info@axis-amc.com - we are here to help successfully navigate your valuation needs during this challenging time period.