

What should you look for in an appraisal report?

Look at the BLUE SECTIONS on the following pages.

Sometimes an appraisal can be more than 25 pages in length, so it can be overwhelming to know what to look at quickly to grasp the value rationale of the appraiser. The next pages give an example of some of the top items to look for in an appraisal report instead of just looking at the bottom line value. Sections highlighted in bold blue text on the following pages are some of the most important portions to read through in an appraisal. These may help you gauge whether the report is reliable or not. Please note each appraisal software company may have a slightly different layout, and that appraisals for non-lending purposes may look even less similar.

This example report is part of a blog series on the Sacramento Appraisal Blog. <http://sacramentoappraisalblog.com/2013/07/01/top-items-to-review-in-an-appraisal-report-part-1/>

Let me know if you have any questions or if you would like me to visit your office to lead a discussion on how to read and review an appraisal report.

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This is an example report and is not meant to reflect any real property or market conditions.

Uniform Residential Appraisal Report

File No. EXAMPLE

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

SUBJECT

Property Address1234 Example Report WayCityFakevilleStateCAZip Code91234-1234

BorrowerVictor FakeOwner of Public RecordVictor FakeCountyFakeramento

Legal DescriptionFakeville Square 16 LOT 84

Assessor's Parcel #085-0035-001-0000Tax Year2012R.E. Taxes \$1,585

Neighborhood NameFakeville SquareMap Reference239-Z7Census Tract109.03

Occupant☒ Owner☐ Tenant☐ VacantSpecial Assessments \$0.00☐ PUDHOA \$0.00☐ per year☐ per month

Property Rights Appraised☒ Fee Simple☐ Leasehold☐ Other (describe)

Assignment Type☐ Purchase Transaction☒ Refinance Transaction☐ Other (describe)

Lender/ClientFake Mortgage CompanyAddress1234 Fake Loans Way Suite 101, Fakeville, CA 91234

Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?☐ Yes☒ No

Report data source(s) used, offering price(s), and date(s).The subject has not been offered in the past 12 months prior to the effective date of this appraisal. Sources include Multiple Listing Services and owner where applicable.

CONTRACT

I☐ did☐ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price \$Date of ContractIs the property seller the owner of public record?☐ Yes☐ NoData Source(s)

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower?☐ Yes☐ No

If Yes, report the total dollar amount and describe the items to be paid.\$0;;

NEIGHBORHOOD

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics			One-Unit Housing Trends			One-Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	70 %	
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input checked="" type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	5 %	
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	80 Low	19	Multi-Family	10 %	
Neighborhood Boundaries	The neighborhood boundaries should be listed here. If they are not correct, the comps might not be correct.				303 High	75	Commercial	10 %	
					167 Pred.	47	Other Vacant	5 %	
Neighborhood Description	See Attached Addendum under "NEIGHBORHOOD DESCRIPTION"								

Market Conditions (including support for the above conclusions)This is where the appraiser should discuss the neighborhood real estate market and at the least support the "One-Unit Housing Trends" listed above (direction of property values, demand/supply and marketing time). Does it seem like the appraiser understands the neighborhood market?

SITE

DimensionsSee Attached Plat MapArea7203 sfShapeMostly RectangularViewN;Res;Res

Specific Zoning ClassificationRD5Zoning Description5 dwellings units per gross acre of land

Zoning Compliance☒ Legal☐ Legal Nonconforming (Grandfathered Use)☐ No Zoning☐ Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?☒ Yes☐ NoIf No, describe.

UtilitiesPublicOther (describe)PublicOther (describe)Off-site Improvements—TypePublicPrivate

Electricity☒☐Water☒☐StreetAsphalt☒☐

Gas☒☐Sanitary Sewer☒☐AlleyNone☐☐

FEMA Special Flood Hazard Area☐ Yes☒ NoFEMA Flood ZoneXFEMA Map #0607720210EFEMA Map Date07/06/1998

Are the utilities and off-site improvements typical for the market area?☒ Yes☐ NoIf No, describe. Flood Information Taken from Tax Records (Realist)

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?☐ Yes☒ NoIf Yes, describe. There are no apparent easements or encroachments and other apparent adverse conditions noted except for normal utilities. The appraiser did not receive a Title report from the client/lender and is therefore not responsible for information contained within. The deed was not reviewed and apparent conditions were considered and noted where applicable; Properties in the subject's neighborhood are similar in size, topography and utility. No adverse conditions noted.

IMPROVEMENTS

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials/condition		INTERIOR materials/condition	
Units	<input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab	<input checked="" type="checkbox"/> Crawl Space	Foundation Walls	Concrete/Avg	Floors	Carpet/Tile/Avg
# of Stories	1	<input type="checkbox"/> Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls	Vinyl Siding/Avg	Walls	Sheetrock/Avg
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area	0 sq. ft.	Roof Surface	Comp Shingle/Avg	Trim/Finish	Painted Wd/Avg
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.		Basement Finish	0 %	Gutters & Downspouts	Metal/Avg	Bath Floor	Vinyl/Tile/Avg
Design (Style)	Ranch	<input type="checkbox"/> Outside Entry/Exit	<input type="checkbox"/> Sump Pump	Window Type	Dual Pane/Avg	Bath Wainscot	Fiberglass/Tile/Avg
Year Built	1973	Evidence of	<input type="checkbox"/> Infestation	Storm Sash/Insulated	N/A	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs)	20	<input type="checkbox"/> Dampness	<input type="checkbox"/> Settlement	Screens	Yes/Avg	<input checked="" type="checkbox"/> Driveway	# of Cars2
Attic	<input type="checkbox"/> None	Heating	<input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> WoodStove(s) #0	Driveway Surface	Concrete
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairs	<input checked="" type="checkbox"/> Other Central	Fuel Gas	<input type="checkbox"/> Fireplace(s) #0	<input checked="" type="checkbox"/> Fence Perimeter	<input checked="" type="checkbox"/> Garage	# of Cars2
<input type="checkbox"/> Floor	<input checked="" type="checkbox"/> Scuttle	Cooling	<input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck Patio	<input checked="" type="checkbox"/> Porch Concrete	<input type="checkbox"/> Carport	# of Cars0
<input type="checkbox"/> Finished	<input type="checkbox"/> Heated	<input type="checkbox"/> Individual	<input type="checkbox"/> Other	<input type="checkbox"/> Pool None	<input type="checkbox"/> Other None	<input checked="" type="checkbox"/> Att.	<input type="checkbox"/> Det. <input type="checkbox"/> Built-in
Appliances	<input type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)						
Finished area above grade contains:	6 Rooms3 Bedrooms2.0 Bath(s)1,465 Square Feet of Gross Living Area Above Grade						
Additional features (special energy efficient items, etc.).	Dual Pane Windows, Fireplace, CH&A, Whole House Fan, Ceiling fans throughout.						
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.).C4;No updates in the prior 15 years;This is the section of the appraisal report where the appraiser will explain the condition of the subject property and any upgrades. Did the appraiser adequately describe the house? This is important to ensure the appraiser considers all the upgrades (or lack thereof) in the final value. Also, make sure to look at the bed/bath count and living area. Does it seem accurate?							
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> NoIf Yes, describe.							
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> NoIf No, describe.							

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SALES COMPARISON APPROACH

There are 5 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 130,000 to \$ 215,000 .															
There are 124 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 85,000 to \$ 232,500 .															
FEATURE		SUBJECT		COMPARABLE SALE NO. 1			COMPARABLE SALE NO. 2			COMPARABLE SALE NO. 3					
1234 Example Report Way				1690 Bono Way			1761 Edge Court			2523 Mullen Drive					
Address Fakeville, CA 91234-1234				Fakeville, CA 91234-1234			Fakeville, CA 91234-1234			Fakeville, CA 91234-1234					
Proximity to Subject				0.45 miles SW			0.43 miles SW			0.74 miles SW					
Sale Price		\$		\$ 170,000			\$ 157,500			\$ 179,000					
Sale Price/Gross Liv. Area		\$ 0.00 sq. ft.		\$ 117.24 sq. ft.			\$ 116.15 sq. ft.			\$ 121.44 sq. ft.					
Data Source(s)				RapMLS #12341234;DOM 3			RapMLS #12341234;DOM 4			RapMLS #12341234;DOM 9					
Verification Source(s)				Doc# 130419-1234			Doc# 130227-1234			Doc# 130315-1234					
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		+(-) \$ Adjustment		DESCRIPTION		+(-) \$ Adjustment		DESCRIPTION		+(-) \$ Adjustment	
Sale or Financing				ArmLth				ArmLth				ArmLth			
Concessions				Cash;0				Cash;0				Cash;0			
Date of Sale/Time				s04/13;c03/13		+3,500		s02/13;c02/13		+5,000		s05/13;c04/13		+2,000	
Location		N;Res;Res		N;Res;Res				N;Res;Res				N;Res;Res			
Leasehold/Fee Simple		Fee Simple		Fee Simple				Fee Simple				Fee Simple			
Site		7203 sf		6480 sf		0		6960 sf		0		7159 sf		0	
View		N;Res;Res		N;Res;Res				N;Res;Res				N;Res;Res			
Design (Style)		Ranch		Ranch				Ranch				Ranch			
Quality of Construction		Q4		Q4				Q4				Q4			
Actual Age		40		42		0		44		0		49		0	
Condition		C4		C4				C4		+7,000		C4			
Above Grade		Total Bdrms Baths		Total Bdrms Baths				Total Bdrms Baths				Total Bdrms Baths			
Room Count		6 3 2.0		6 3 2.0				6 3 2.0				6 3 2.0			
Gross Living Area40		1,465 sq. ft.		1,450 sq. ft.		0		1,356 sq. ft.		4,500		1,474 sq. ft.		0	
Basement & Finished Rooms Below Grade		0sf		0sf				0sf				0sf			
Functional Utility		Average		Average				Average				Average			
Heating/Cooling		FWA/CAC		FWA/CAC				FWA/CAC				FWA/CAC			
Energy Efficient Items		Dual Pane Wnds		Dual Pane Wnds				Dual Pane Wnds				Dual Pane Wnds			
Garage/Carport		2 Car Garage Att		2 Car Garage Att				2 Car Garage Att				2 Car Garage Att			
Porch/Patio/Deck		Porch,Patio		Porch,Patio				Porch,Patio				Porch,Patio			
Pool		None		None				None				None			
Net Adjustment (Total)				<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 3,500		<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 16,500		<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 2,000	
Adjusted Sale Price of Comparables				Net Adj. 2.1%				Net Adj. 10.5%				Net Adj. 1.1%			
				Gross Adj. 2.1%		\$ 173,500		Gross Adj. 10.5%		\$ 174,000		Gross Adj. 1.1%		\$ 181,000	
I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain														Do the "comps" above seem reasonable? Or are there better ones that were not used? A good "comp" or comparable sale is one that a buyer would consider as a replacement for the subject property. If the "comp" was still on the market, would a buyer also be interested in that property?	
My research <input checked="" type="checkbox"/> did <input type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.															
Data source(s) Tax Records, Multiple Listing Service															
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.															
Data source(s) Tax Records, Multiple Listing Service															
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).															
ITEM		SUBJECT		COMPARABLE SALE NO. 1			COMPARABLE SALE NO. 2			COMPARABLE SALE NO. 3					
Date of Prior Sale/Transfer		03/25/2011													
Price of Prior Sale/Transfer		146000													
Data Source(s)		County Records		County Records			County Records			County Records					
Effective Date of Data Source(s)		05/14/2013		05/14/2013			05/14/2013			05/14/2013					
Analysis of prior sale or transfer history of the subject property and comparable sales The subject property sold as a foreclosure on MLS after 19 days of market exposure at \$146,000. The subject property previously transferred as a foreclosure on 02/02/2011 for \$121,456 (not a public sale on MLS). I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.															
Summary of Sales Comparison Approach. This is the section where the appraiser explains and supports the adjustments used in the appraisal report. Do the adjustments seem legitimate to you? Do they appear to be indicative of the way buyers behave? Do the adjustments make sense when you compare all the sales used in the appraisal report? Is there anything that should have been adjusted for but was not? The adjustments are supposed to be based on the amount buyers would pay for the difference of the feature (instead of the cost of the feature). As an example, Comp 2 has 109 less square feet of living area than the subject property. When adjusted at \$40 per square foot, the value difference is \$4,500. We all know the cost to actually build 109 additional square feet would be far more than \$4,500, but what this adjustment is saying is that buyers are only willing to pay \$4,500 for the extra space despite the cost of construction. The \$40 looks like it is based on comparison to Comp 1.															
Indicated Value by Sales Comparison Approach \$ 174,000															

RECONCILIATION

Indicated Value by: Sales Comparison Approach \$174,000			Cost Approach (if developed) \$ 0			Income Approach (if developed) \$ 0		
This is the section where the appraiser explains how the final value was reconciled. This section is only three lines, so the text will likely be in an addendum. Does the explanation make sense? In this case, the reader would want to know why the value is at \$174,000 (Comps 1-2) instead of \$181,000 (Comp 3).								
This appraisal is made <input checked="" type="checkbox"/> "as is," <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:								
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 174,000 as of 05/22/2013 , which is the date of inspection and the effective date of this appraisal.								

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File No. EXAMPLE

ADDITIONAL COMMENTS

See Attached Addendum.

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) The Cost Approach was not developed as it was deemed neither applicable nor meaningful for this appraisal assignment by the appraiser because of its lack of reliability for determining market value. The Cost Approach was not required in this appraisal assignment in order to determine a credible opinion of market value.

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ <u>N/A</u>		
Source of cost data <u>N/A</u>	Dwelling <u>1,465</u> Sq. Ft. @ \$ 	= \$ <u>N/A</u>	
Quality rating from cost service <u>N/A</u> Effective date of cost data <u>N/A</u>	Sq. Ft. @ \$ 	= \$ <u>N/A</u>	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)			
<u>N/A</u>			
	Garage/Carport <u>380</u> Sq. Ft. @ \$ 	= \$ <u>N/A</u>	
	Total Estimate of Cost-New 		= \$ <u>N/A</u>
	Less <u>60</u> Physical Functional External		
	Depreciation <u>\$0</u>		= \$ (<u>0</u>)
	Depreciated Cost of Improvements		= \$ <u>0</u>
	"As-is" Value of Site Improvements		= \$ <u>N/A</u>
			<u>N/A</u>
Estimated Remaining Economic Life (HUD and VA only) <u>40</u> Years	INDICATED VALUE BY COST APPROACH = \$ <u>0</u>		

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ 0 X Gross Rent Multiplier 0 = \$ 0 Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) The income approach was not developed due to the lack of sufficient rental data in this mainly single family residential neighborhood.

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project N/A

Total number of phases <u>N/A</u>	Total number of units <u>N/A</u>	Total number of units sold <u>N/A</u>
Total number of units rented <u>N/A</u>	Total number of units for sale <u>N/A</u>	Data source(s) <u>N/A</u>

Was the project created by the conversion of an existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion. N/A

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data source(s) N/A

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion. N/A

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options. N/A

Describe common elements and recreational facilities. N/A

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This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

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, definition of market value, or assumptions and limiting conditions 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. Modifications or deletions to the 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 complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (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. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
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.) observed during the inspection of the subject property or 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.

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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 complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and 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 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. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
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, 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 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).

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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.

APPRAISER

Signature _____
Name This is an example appraisal
Company Name This is an example appraisal
Company Address 11111 Fake Street
Fakeville, CA 91234
Telephone Number This is an example appraisal
Email Address This is an example appraisal
Date of Signature and Report 05/26/2013
Effective Date of Appraisal 05/22/2013
State Certification # This is an example appraisal
or State License # This is an example appraisal
or Other (describe) _____ State # _____
State _____
Expiration Date of Certification or License _____

ADDRESS OF PROPERTY APPRAISED
1234 Example Report Way
Fakeville, CA 91234-1234

APPRAISED VALUE OF SUBJECT PROPERTY \$ 174,000

LENDER/CLIENT
Name Fake AMC
Company Name Fake Mortgage Company
Company Address 1234 Fake Loans Way Suite 101
Fakeville, CA 91234
Email Address This is an example appraisal

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____

Telephone Number _____
Email Address _____
Date of Signature _____
State Certification # _____
or State License # _____
State _____
Expiration Date of Certification or License _____

SUBJECT PROPERTY
☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
Date of Inspection _____
☐ Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES
☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
Date of Inspection _____

Uniform Appraisal Dataset Definitions

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Condition Ratings and Definitions

- C1** The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.*
- *Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (i.e., newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).*
- C2** The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.
- C3** The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.
- C4** The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.
- C5** The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.
- C6** The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

Quality Ratings and Definitions

- Q1** Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.
- Q2** Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residences constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high-quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.
- Q3** Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.
- Q4** Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.
- Q5** Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.
- Q6** Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure.

Definitions of Not Updated, Updated, and Remodeled

Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.
Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical /functional deterioration.

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.
An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/ or expansion.
A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of square footage). This would include a complete gutting and rebuild.

Explanation of Bathroom Count

The number of full and half baths is reported by separating the two values by a period. The full bath is represented to the left of the period. The half bath count is represented to the right of the period. Three-quarter baths are to be counted as a full bath in all cases. Quarter baths (baths that feature only toilet) are not to be included in the bathroom count.

Uniform Appraisal Dataset Definitions

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Abbreviations Used in Data Standardization Text

Abbrev.	Full Name	Appropriate Fields	Abbrev.	Full Name	Appropriate Fields
ac	Acres	Area, Site	Mtn	Mountain View	View
AdjPrk	Adjacent to Park	Location	N	Neutral	Location & View
AdjPwr	Adjacent to Power Lines	Location	NonArm	Non-Arms Length Sale	Sale or Financing Concessions
A	Adverse	Location & View	BsyRd	Busy Road	Location
ArmLth	Arms Length Sale	Sale or Financing Concessions	o	Other	Basement & Finished Rooms Below Grade
ba	Bathroom(s)	Basement & Finished Rooms Below Grade	Prk	Park View	View
br	Bedroom	Basement & Finished Rooms Below Grade	Pstrl	Pastoral View	View
B	Beneficial	Location & View	PwrLn	Power Lines	View
Cash	Cash	Sale or Financing Concessions	PubTrn	Public Transportation	Location
CtySky	City View Skyline View	View	rr	Recreational (Rec) Room	Basement & Finished Rooms Below Grade
CtyStr	City Street View	View	Relo	Relocation Sale	Sale or Financing Concessions
Comm	Commercial Influence	Location	REO	REO Sale	Sale or Financing Concessions
c	Contracted Date	Date of Sale/Time	Res	Residential	Location & View
Conv	Conventional	Sale or Financing Concessions	RH	USDA –Rural Housing	Sale or Financing Concessions
CrtOrd	Court Ordered Sale	Sale or Financing Concessions	s	Settlement Date	Date of Sale/Time
DOM	Days On Market	Data Sources	Short	Short Sale	Sale or Financing Concessions
e	Expiration Date	Date of Sale/Time	sf	Square Feet	Area, Site, Basement
Estate	Estate Sale	Sale or Financing Concessions	sqm	Square Meters	Area, Site, Basement
FHA	Federal Housing Authority	Sale or Financing Concessions	Unk	Unknown	Date of Sale/Time
Glfcse	Golf Course	Location	VA	Veterans Administration	Sale or Financing Concessions
Glfwv	Golf Course View	View	w	Withdrawn Date	Date of Sale/Time
Ind	Industrial	Location & View	wo	Walk Out Basement	Basement & Finished Rooms Below Grade
in	Interior Only Stairs	Basement & Finished Rooms Below Grade	wu	Walk Up Basement	Basement & Finished Rooms Below Grade
Lndfl	Landfill	Location	WtrFr	Water Frontage	Location
LtdSght	Limited Sight	View	Wtr	Water View	View
Listing	Listing	Sale or Financing Concessions	Woods	Woods View	View

Other Appraiser-Defined Abbreviations

[illegible]