

Disclosure



- ❖ The purpose of this presentation is an overview of the subject matter with summation and explanation of recent changes in FHA policy. It introduces and explains, rather than supplants, official policy issued in Handbooks and Mortgagee Letters. If you find a discrepancy between the presentation and Handbooks, Mortgagee Letters, etc., the official policies prevail. Please note the information provided in this training is subject to change.
- ❖ Please consult HUD online Handbooks at <http://www.fhaoutreach.gov/FHAHandbook/prod/contents.asp?address=4155-1> and Mortgagee Letters through <http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/index.cfm> for the most recent updates and current policy.

Underwriting the FHA Appraisal

Presented by
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“Direct Endorsement lenders are reminded that if the appraiser they selected provides a poor or fraudulent appraisal that leads FHA to insure a mortgage at an inflated amount, the lender is held responsible, equally with the appraiser, for the integrity, accuracy and thoroughness of an appraisal submitted to FHA for mortgage insurance purposes.”

With Whom Does the Appraiser Communicate?



The appraiser is to discuss the appraisal only with the DE Underwriter who is responsible for the quality of the appraisal report. Only the underwriter is allowed to request clarifications and discuss with the appraiser components of the appraisal that influence its quality.



Appraisal Logging Up

Address: 15714

Construction Code: Exist

Appraisal Received Date:

Date of Contract: 02

Location: Suburban

Concrete Slab

Living Area:

Central Air: Yes No

Car Storage: Two-car Garage

* Prior Sale Information *

Was prior sale/transfer of this property within the past 3 years? No Sale/Transfer within 3 yrs

Date of Prior Sale/Transfer: / /

Price of Prior Sale/Transfer:

* Reconciliation Fields *

Appraised Value:

Actual Appraiser (State Certificate or License No.):

Effective Date of Appraisal:

ID:

/ /

Name: HALL, JAMES M

* Appraisal Update *

Appraiser (State Certificate or License No.):

Effective Date of Appraisal Update:

ID:

/ /

Name:

Certify subject property did not decline in value

Second Appraisal

Select link if you wish to enter second appraisal

Appraisal Forms



- **Form 1004 Uniform Residential Appraisal Report: Appraisal of a one-unit property (including individual unit in a PUD)**
- **Form 1004C Manufactured Home Appraisal Report: Appraisal of a manufactured home (including a manufactured home in a PUD or condominium project)**
- **Form 1073 Individual Condominium Unit Appraisal Report**
- **Form 1025 Small Residential Income Property Appraisal Report: Appraisal of a two-unit to four-unit property**
- **Market Conditions Addendum, Form 1004MC**
- **FNMA 1004D, Appraisal Update and/or Completion Form**
- **Form HUD-92051 Compliance Inspection Report: completion report for all one-unit to four-unit appraisal reports**

Uniform Residential Appraisal Subject Section



FHA Case #052-3648001

SUBJECT	Property Address	City	State	Zip Code	
	Borrower	Owner of Public Record	County		
	Legal Description				
	Assessor's Parcel #	Tax Year	R.E. Taxes \$		
	Neighborhood Name	Map Reference	Census Tract		
	Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	<input type="checkbox"/> PUD	HOA \$	<input type="checkbox"/> per year <input type="checkbox"/> per month
	Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)				
	Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)				
	Lender/Client	Address			
	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?				<input type="checkbox"/> Yes <input type="checkbox"/> No
	Report data source(s) used, offering price(s), and date(s).				_____

Uniform Residential Appraisal Report Contract Section



CONTRACT	<input type="checkbox"/> did <input type="checkbox"/> 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 Contract	Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No Data 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? <input type="checkbox"/> Yes <input type="checkbox"/> No		
	If Yes, report the total dollar amount and describe the items to be paid. \$ _____		

Uniform Residential Appraisal Report

Subject Section



SUBJECT	Property Address	City	State	Zip Code	
	Borrower	Owner of Public Record	County		
	Legal Description				
	Assessor's Parcel #	Tax Year	R.E. Taxes \$		
	Neighborhood Name	Map Reference	Census Tract		
	Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	<input type="checkbox"/> PUD	HOA \$	<input type="checkbox"/> per year <input type="checkbox"/> per month
	Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)				
	Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)				
	Lender/Client	Address			
	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?				<input type="checkbox"/> Yes <input type="checkbox"/> No
Report data source(s) used, offering price(s), and date(s). _____					

Uniform Residential Appraisal Report Neighborhood



STMENT ON

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 %
N E I G H B O R H O O D	Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit %
	Built-Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit %
	Growth <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	Low		Multi-Family %
	Neighborhood Boundaries		High		Commercial %
			Pred.		Other %
Neighborhood Description					
Market Conditions (including support for the above conclusions)					

Uniform Residential Appraisal Report

Site



	Dimensions	Area	Shape	View					
	Specific Zoning Classification	Zoning Description							
	Zoning Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)								
	Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe								
S I T E	Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private	
	Electricity	<input type="checkbox"/>	<input type="checkbox"/>	Water	<input type="checkbox"/>	<input type="checkbox"/>	Street	<input type="checkbox"/>	<input type="checkbox"/>
	Gas	<input type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input type="checkbox"/>	<input type="checkbox"/>	Alley	<input type="checkbox"/>	<input type="checkbox"/>
	FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input type="checkbox"/> No	FEMA Flood Zone	FEMA Map #	FEMA Map Date				
	Are the utilities and off-site improvements typical for the market area? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe								
	Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe								

Observing the Site

FHA requires the appraiser to disclose if any property is subject to hazards that endanger the physical improvements, affect livability, marketability or health and safety of occupants

Site Hazards & Nuisances

Subsidence

Active or planned drill sites

Above ground stationary storage tanks

High voltage transmission lines/towers

Grading and drainage

Airport Noise and Hazards

Runway Clear Zones/Accident Potential Zones

ML-2005-48

Individual Water Supply and Sewage Systems



The Lender is required to insure the well and septic meet HUD and state and local jurisdiction requirements.

The underwriter, not the appraiser, is required to determine feasibility of connecting improvements to public water and/or septic system.

Call for inspection of readily observable deficiencies of well or septic systems

Residential Appraisal Report Improvements



General Description
Units <input type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit
of Stories
Type <input type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.
Design (Style)
Year Built
Effective Age (Yrs)

- Units
- Number of Stories
- Property Type
- Design
- Year Built
- Effective Age

Accessory Units



Foundation/Basement/Crawl Space

Foundation	
<input type="checkbox"/> Concrete Slab	<input type="checkbox"/> Crawl Space
<input type="checkbox"/> Full Basement	<input type="checkbox"/> Partial Basement
Basement Area	sq. ft.
Basement Finish	%
<input type="checkbox"/> Outside Entry/Exit	<input type="checkbox"/> Sump Pump
Evidence of <input type="checkbox"/> Infestation	
<input type="checkbox"/> Dampness	<input type="checkbox"/> Settlement

- Basement
- Crawl Space
- Basement Area
- Basement Finish

Interior – Materials Condition

INTERIOR	materials/condition
Floors	
Walls	
Trim/Finish	
Bath Floor	
Bath Wainscot	

- Appraiser is to state what they saw and describe when necessary.
- What is readily observable?
- What upgrades did he/she see?

Interior



Uniform Residential Appraisal Report

Attic



<input type="checkbox"/> Attic	<input type="checkbox"/> None
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairs
<input type="checkbox"/> Floor	<input type="checkbox"/> Scuttle
<input type="checkbox"/> Finished	<input type="checkbox"/> Heated

- The appraiser must enter a minimum head and shoulders and be able to inspect entire area.
- An attic must have adequate ventilation and be free from defects.
- Homes with attic access sealed must be opened and inspected.

Mechanical Systems

All utilities should be on at the time of appraisal.



Uniform Residential Appraisal Improvements



Appliances <input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)				
Finished area above grade contains:	Rooms	Bedrooms	Bath(s)	Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc.)				
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.).				
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe				
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe				

Property Condition Requirements



Determine the overall quality and condition of property.

Identify items that require immediate repair (health & safety, structural soundness).

Identify items where maintenance has been deferred, which may not require immediate repair.

Property Condition Requirements

Typical property conditions requiring further inspection and/or repair by qualified individuals reflected on the Conditional Commitment, HUD 92800.5B:

- Infestation – evidence of termites
- Inoperative or inadequate plumbing, heating or electrical systems
- Structural failure in framing members
- Leaking or worn-out roofs
- Cracked masonry or foundation damage
- Drainage problems/standing water against foundation/Structural
- Hazardous material on the site

Property Condition Requirements

FHA does not require automatic inspections for the following items and/or conditions in existing properties unless mandated by State or local jurisdiction, customary in the area or lender required:

- Well (individual water system)
- Septic
- Termite
- Flat and/or unobservable roof

Uniform Residential Appraisal Report Sales Comparison Approach



There are	comparable properties currently offered for sale in the subject neighborhood ranging in price from \$	to \$
There are	comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$	to \$

Comparable Listings

The number of **comparable** properties currently offered for sale, including those under contract, within the subject neighborhood together with the price range.

Comparable Sales

The number of **comparable** sales that occurred within the 12-month period preceding the effective date of the appraisal, and within the subject neighborhood, together with the price range.

Uniform Residential Appraisal Report

Sales Comparison Approach



FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Address							
Proximity to Subject							
Sale Price	\$	\$	\$	\$	\$	\$	\$
Sale Price/Gross Liv. Area	\$ sq. ft.	\$ sq. ft.	\$ sq. ft.	\$ sq. ft.	\$ sq. ft.	\$ sq. ft.	\$ sq. ft.
Data Source(s)							
Verification Source(s)							
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions							
Date of Sale/Time							

Uniform Residential Appraisal Report

Sales Comparison Approach



FEATURE	SUBJECT			COMPARABLE SALE NO. 1			COMPARABLE SALE NO. 2			COMPARABLE SALE NO. 3		
Location							Golf Course					
Leasehold/Fee Simple							-25,000					
Site												
View												
Design (Style)												
Quality of Construction												
Actual Age												
Condition												
Above Grade	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths
Room Count												
Gross Living Area	1920		sq. ft.	1680	sq. ft.	+\$	2100	sq. ft.	-\$	2400	sq. ft.	> 20%
Basement & Finished												
Rooms Below Grade												

Uniform Residential Appraisal Report

Sales Comparison Approach



SALES COMPARISON APPROACH	FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
	Functional Utility							
Heating/Cooling								
Energy Efficient Items								
Garage/Carport		3-car attach	2 car attach	+ 7500	2 car attach	+7500	2 car attach	+7500
Porch/Patio/Deck								
Net Adjustment (Total)			<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 0	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 0	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 0
Adjusted Sale Price			Net Adj. 5% %		Net Adj. 0.0% %		Net Adj. 0.0% %	
of Comparables			Gross Adj. 15% %	\$ 115,000	Gross Adj. 25% %	\$ 126,000	Gross Adj. 0.0% %	\$ 0

Uniform Residential Appraisal Report

Sales Comparison Approach



I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain _____

My research did 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) _____

My research did 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) _____

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				
Price of Prior Sale/Transfer				
Data Source(s)				
Effective Date of Data Source(s)				

Analysis of prior sale or transfer history of the subject property and comparable sales _____

Standard Rule 1-5 of the Uniform Standards of Professional Appraisal Practice (USPAP), appraisers are required to analyze any prior sales of a subject property in the previous three years for one to four family residential properties.

Uniform Appraisal Report Reconciliation



Handbook 4150.2, Appendix D)(

RECONCILIATION	Indicated Value by: Sales Comparison Approach \$	Cost Approach (if developed) \$ 0	Income Approach (if developed) \$
	<p>This appraisal is made <input 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: _____</p> <p>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 \$ _____ as of _____, which is the date of inspection and the effective date of this appraisal.</p>		

The three approaches to value: comparison, cost and income are reconciled with a brief description of the validity of each approach with respect to the subject property appraisal.

Uniform Residential Appraisal Cost Approach



The cost approach is required for:

- **Manufactured Housing (New Construction)**
- **Unique properties/properties with specialized improvements**
- **Lender's request**

The name of the cost service and reference page numbers of cost tables or factors required;

Reviewer must be able to replicate, and;

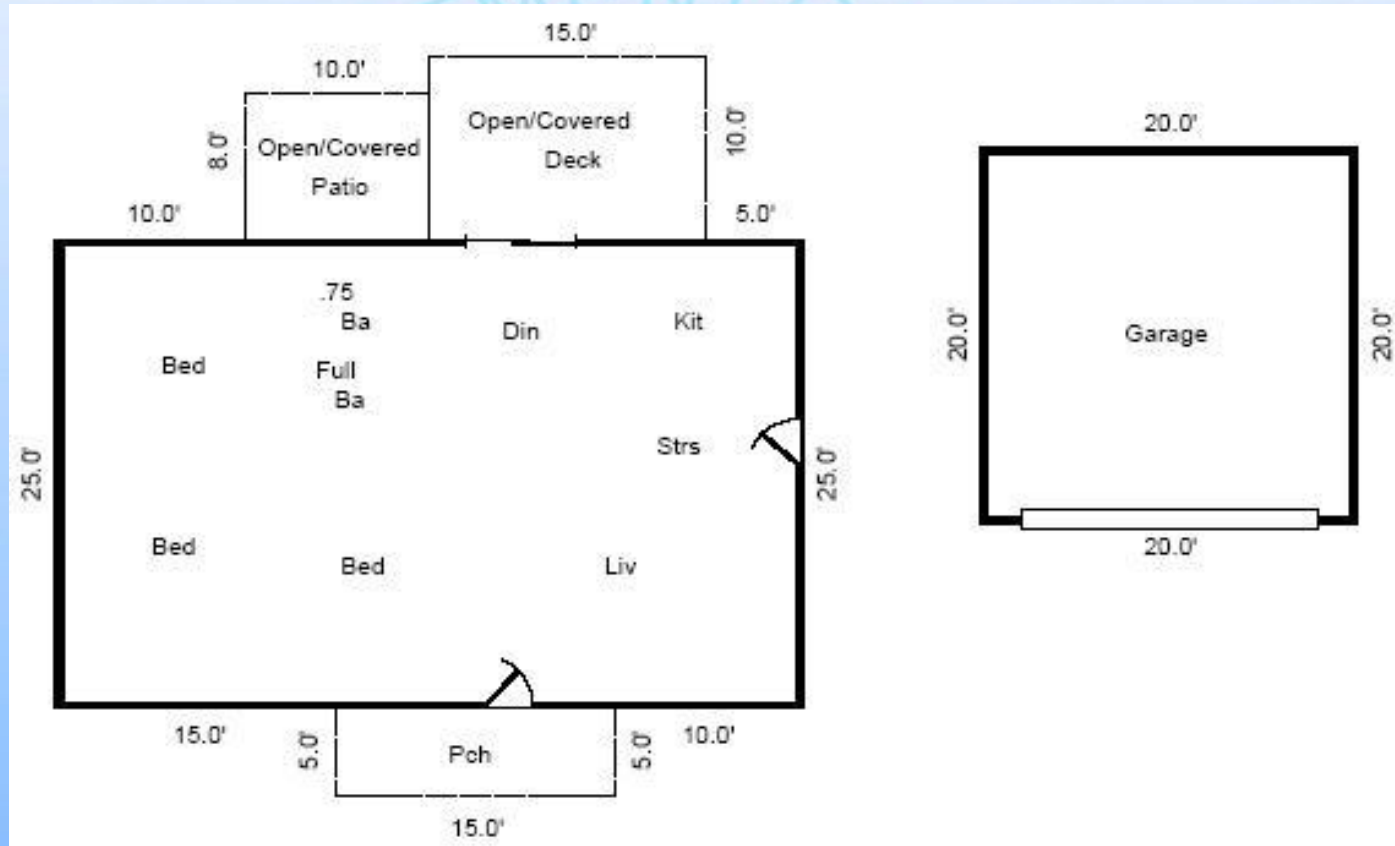
Remaining economic life line must be completed for every FHA appraisal including condominiums.

Uniform Residential Appraisal Report Income Approach



**The Income Approach is not required for
FHA appraisals completed on the
Uniform Residential Appraisal Report,
*Fannie Mae Form 1004.***

Required Exhibits: Sketch



Required Exhibits: Photographs

Photographs should:

- Show front and rear at opposite angles to show all sides of subject property and all improvements
- Show street scene
- Include a single photo of each comparable
- Show the grade of the vacant lot; proposed construction
- Be taken by appraiser (no people in photos)
- Be original photographs: MLS photos are not to be used as primary photo



Common Deficiencies - Photographs



Photos reflecting silhouettes or “Black Blobs” are not acceptable.

Imaged photos & documents must also be clear

Market Conditions Addendum to the Appraisal Report

File No.

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address _____ City _____ State _____ ZIP Code _____

Borrower _____

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining

Seller-(developer, builder, etc.) paid financial assistance prevalent? Yes No Declining Stable Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.).

Appraisal Practices in a Declining Market



Underwriter Responsibilities

Review Comments in the Neighborhood Section to determine if the information is adequately supported by the data on the 1004MC.

If not, further obtain support for the subject's value through requiring additional sales data from the appraiser and/or an online resource or a review appraisal.

90 Day Flipping Rule Suspended for Forward Mortgages



**Cases with a sale date on or after February 1, 2010
that had a prior sale within 90 days may now be
processed for mortgage endorsement.**

<http://www.hud.gov/offices/hsg/sfh/currentwaiver.pdf>

When is a second appraisal required?

Resale date of property is between **1 and 90 days** *and*

Resale price is **20% percent or more** over the price paid by the seller:

Increase must be supported by:

- full appraisal by an independent FHA roster appraiser *or* adequate documentation of repair/rehabilitation/renovation
- property inspection

Resale date of property is between **91 and 180 days** *and*

Resale price is **100% percent or more** over the price paid by the seller:

2nd appraisal required

Appraisal Portability



FHA Connection

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Welcome SHARRON MULLEN

[Single Family FHA](#)

[Single Family Origination](#) > [Case Processing](#) > [Case Transfer](#)

Case Transfer

[Help Links](#)



FHA Case Number:

 -

New Originator ID:

New Sponsor/Agent ID:

Date of Assignment Letter:

 / / 

Reset

Message Board Thursday February 11, 2010

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8/16/2010

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Appraisal Validity

Without Update: 150 days

- 120 days *plus*
- 30 day extension

With Update: 240 days

- 120 days *plus*
- 120 days (update report validity)

FNMA 1004D



Appraisal Update and/or Completion Report

File #

The purpose of this report form is to provide the lender/client with an accurate update of an appraisal and/or to report a certification of completion. The appraiser must identify the service(s) provided by selecting the appropriate report type.

Property Address		Unit #
City	State	Zip Code
Legal Description		County
Borrower	Contract Price \$	Date of Contract
Effective Date of Original Appraisal		Original Appraised Value \$
Property Rights Appraised	<input type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold
<input type="checkbox"/> Other (describe)		
Original Appraiser	Company Name	
Original Lender/Client	Address	

SUMMARY APPRAISAL UPDATE REPORT

INTENDED USE: The intended use of this appraisal update is for the lender/client to evaluate the property that is the subject of this report to determine if the property has declined in value since the date of the original appraisal for a mortgage finance transaction.

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

SCOPE OF WORK: The appraiser must, at a minimum: (1) concur with the original appraisal, (2) perform an exterior inspection of the subject property from at least the street, and (3) research, verify, and analyze current market data in order to determine if the property has declined in value since the effective date of the original appraisal.

HAS THE MARKET VALUE OF THE SUBJECT PROPERTY DECLINED SINCE THE EFFECTIVE DATE OF THE ORIGINAL APPRAISAL? Yes No

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

- I have, at a minimum, developed and reported this appraisal update in accordance with the scope of work requirements stated in this appraisal update report and concur with the analysis and conclusions in the original appraisal.
- I performed this appraisal update in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were Friday, March

Conditional Commitment



Conditional Commitment Direct Endorsement Statement of Appraised Value

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0494
(exp. 04/30/2007)

General Commitment Conditions

1. Maximum Mortgage Amount and Terms

(a) **Occupant Mortgage:** Mortgage amount and terms assume satisfactory owner-occupant mortgage(s). They may be changed depending upon the rating of borrower, his/her income and credit.

(b) **Change:** The Commissioner or Direct Endorsement (DE) Underwriter may, after reviewing pertinent information, change the mortgage amount and term.

2. **Approval of Borrower:** A determination for approval will be based upon receipt of acceptable application for mortgage credit analysis.

3. **Validity Period:** This document expires six months from the issue date in the case of an "existing" house or six months from twelve months from its date for "proposed" construction, or 200% rehabilitation loan. A shorter period may be imposed by HUD for proposed construction. All cases are classified as "existing" or "proposed" for the purpose of determining expiration date. Accordingly a house, even though still under construction, may be classified as an existing house if it was not approved by HUD, VA, or a DE Lender prior to beginning of construction. Lower loan-to-value ratios will be applied unless construction exhibits are certified by builder as meeting applicable codes and HUD requirements and are covered by a HUD approved insured 10-year protection (warranty) plan.

4. **Rescission:** This document may be cancelled after 90 days from the date of issuance if construction has not started.

5. **Property Standards:** All construction, repairs, or alterations proposed in the application or on the construction exhibits returned herewith must equal or exceed applicable codes and HUD requirements.

Information: The estimates of the insurance and taxes are furnished for mortgagee's and mortgagor's information. They must be used to prepare the Addendum to the Uniform Residential Loan Application, form HUD-90290-A, when a firm commitment is desired.

Commitment Terms		Property Information	
B	Conditional Commitment for Mortgage Insurance under the National Housing Act, Sec. <input type="checkbox"/>	D	Est. Value of Prop. <input type="text"/>
By: <input type="checkbox"/>	See below	E	Property Address: <input type="text"/>
Lender ID: <input type="text"/>	Action Date: <input type="text"/>	<input checked="" type="checkbox"/> Existing	Commitment Issued: <input type="text"/>
Mortgagee: <input type="text"/>	FHA Case No.: <input type="text"/>	<input type="checkbox"/> Proposed	Commitment Expires: <input type="text"/>
	INST Case Ref. No.: <input type="text"/>	Improved Living Area: <input type="text"/>	Sq. Ft.: <input type="text"/>
			F
			Monthly Expense Estimate: Fire Insurance \$ Taxes \$ Condo. Con. Exp. ... \$ Total

Specific Commitment Conditions (Applicable when checked)

HUD's commitment to insure a mortgage on this property is dependent upon the completion of the conditions listed below.

HUD Does Not Guarantee

H Estimated Remaining Economic Life of this property is years. This property is, is not, eligible for making (high loan-to-value ratio mortgage).

Manufactured Housing

Assurance of Completion: If the required repairs cannot be completed prior to submission of closing papers, form HUD-90300 made in the amount of \$ (or such additional amount as the lender deems) may be established as the means to ensure completion.

See indicated additional items on attached

See the following additional conditions on the back:

Case Binder Copy

Form HUD-90290-55 (9/2004)
net. Handbook 4-150-1

Public reporting burden for this collection of information is estimated to average seven minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Section 203 of the National Housing Act authorizes the Secretary of the Department of Housing and Urban

Development to insure mortgages on appraisal and commitment/direct endorsement statement of appraised value on a designated property. This form serves as the application for individual "proposed construction" and "existing construction" properties.

The Conditional Commitment / Direct Endorsement Statement of Appraised Value (Form HUD-92800.5B) sets forth the terms upon which the commitment/direct endorsement statement of appraised value is made and the specific conditions that must be met before HUD can endorse a Firm Commitment for Mortgage Insurance.

Responses to the collection of information are required to obtain mortgage insurance. Information contained in these collections will be used only for the purpose of determining the eligibility of a property for mortgage insurance. The information is considered confidential. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Specific Commitment Conditions (Applicable when indicated on the front of this form)

- B. **Proposed Construction:** The builder or mortgagee must notify the assigned Fee Inspector as appropriate (see items 11, 12, and 13 below).
- C. **Warranty:** Form HUD-92544 is required on all new construction and shall be executed between the builder and the purchaser.
- D. **Section 223:** This commitment is issued pursuant to Section 223(e).
- E. **Health Authority Approval:** Submit local health authority approval (on a form or letter) indicating the individual water supply and/or sewage disposal system is acceptable.
- F. **Reserved.**
- G. **Prefabricator's Certificate:** The Lender shall provide a prefabrication certificate as required by the related engineering bulletin.
- H. **Termite Control: (Proposed Construction)** If soil poisoning is used, the builder shall complete form HUD-92052, Termite Soil Treatment Guarantee, and transmit a copy to HUD or the Direct Endorsement Underwriter. The Mortgagee will deliver the original and a copy to the mortgagor at closing.
- 4. **Flood Insurance Requirement:** This property is located in a special flood hazard area and must be covered by flood insurance in accordance with HUD regulation 24 CFR 203.16a.
- 5. **Carpet Identification:** (as listed in Certified Products Directory) Manufacturer recommended maintenance program must be provided to the homebuyer.
- 6. **Termite Control (Existing Construction):** A recognized termite control operator shall furnish certification using form NCPA-1, or State-mandated form, that the house and other structures within the legal boundaries of the property indicate no evidence of active termite infestation.
- 7. **Code Enforcement:** The lender shall submit a statement from the public authority that the property meets local code requirements. If the mortgage on the property is to be insured under Section 221(d)(2), a code compliance inspection is required.
- 8. **Repairs:** The lender shall notify the original appraiser upon completion of required repairs, unless otherwise instructed.
- 9. **Lender's Certificate of Completion:** The lender shall furnish a certificate that required repairs have been examined and were satisfactorily completed.
- 10. **Manufacturers Warranties** must be provided to the homebuyer covering heating/cooling systems, hot water heaters, ranges, etc.
- 11. **Initial Inspection** (2 working days) is requested before the "beginning of construction" with forms in place.
- 12. **Frame Inspection** (1 working day) is requested when the building is enclosed and framing, plumbing, heating, electrical, and insulation is complete and visible.
- 13. **Final Inspection** is requested when construction is completed and the property ready for occupancy.
- 14. **Insulation Certificate** must be posted in a conspicuous location in the dwelling.
- 15. **The Insured Protection Plan Warranty Agreement** shall be executed between the builder and the homebuyer.
- 16. The lender shall furnish a certificate of occupancy or letter of acceptance from the local building authority.

**Direct Endorsement Underwriter/
HUD Reviewer
Analysis of Appraisal Report**

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0477 (exp. 11/30/2009)

Public reporting burden for this collection of information is estimated to average 3 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.
This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.



Borrower's Name	FHA Case Number	Lender Loan Number
Property Address	Appraiser's Name	
	Appraiser's Estimate of Value: \$	

1. Does the appraisal report present a consistent and fair analysis of the property? Yes No (Explain)

2. Comment on the report's quality, completeness, consistency, and accuracy.

3. Are the comparables acceptable? Yes No (If not, the appraisal should be returned to the appraiser.)

4. Are the adjustments acceptable both as to items adjusted and the amount allocated to each item adjusted? Yes No (Explain)

5. Is the value acceptable for HUD/FHA loan purposes? Yes No If not, should it be corrected? Yes No

Value for HUD/FHA loan purposes \$ _____ . Provide justification for correction.

6. Repair Conditions

7. Other Comments

DE Underwriter (Name)	CHUMS Number	Date
DE Underwriter Signature		
HUD Reviewer (Name and Signature)		

form HUD-54114 (2/93)
ref. Handbook 4000.4

The Direct Endorsement Underwriter/ HUD Reviewer Analysis of Appraisal Report (HUD-54114) is used to modify value or for comments.

Construction Procedures for Single Family

The Code of Federal Regulations (CFR) governs when an FHA loan may exceed a 90% Loan to Value predicated by the stage of construction the day the subject property is appraised.

New Construction



New Construction



Construction Exhibits for Appraisal



Proposed or Under Construction less than 90% complete

- **Builder's Certification of Plans, Specifications and Site**
Appraiser to comment on any discrepancies existing between what he/she observes at the site and what was certified to by the builder (HOC Ref Guide 1-8C)
Lenders must resolve any noted discrepancies
- **Complete set of Plans and Specifications**
- **Description of Materials**
- **Appraise "... subject to completion per plans and specifications ..."** and a final inspection by a fee inspector or local authority.

Appraisal Construction Exhibits



Under Construction 90% or more complete

- **Builder's Certification of Plans, Specifications and Site**
- **Appraiser notes any repairs and/or alterations required**
- **Appraisal is completed "... subject to the following repairs or alterations ..." and a final inspection by a fee inspector or local authority , i.e. certificate of occupancy.**

Compliance Inspection Report

Note: Reports of Final and Repair Compliance Inspections left at site always require reviewer's signature to be Official. Consult mortgagee for official reports.

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB No. 2502-0189
(exp. 04/30/2011)



Builder's Name and Address	<input type="checkbox"/> Report not left at site. <input type="checkbox"/> Report not official without reviewer's signature.	FHA Case Number <hr/> Date of Inspection (mm/dd/yyyy)
Mortgagee's Name and Address	Property Address	

I. Inspection of On-Site Improvements Reveals

- | | |
|--|---|
| 1. Construction <input type="checkbox"/> was, <input type="checkbox"/> was not begun prior to the date of mortgage insurance approval shown on the commitment, statement of appraised value or "Early Start" letter. (Applies to the initial report on new construction)
2. <input type="checkbox"/> Builder other than named in application
3. <input type="checkbox"/> Unable to make inspection. (Explain below)
4. <input type="checkbox"/> Accepted construction exhibits not available at site
5. <input type="checkbox"/> Individual Sewage disposal system; <input type="checkbox"/> Individual Water supply system
<input type="checkbox"/> No noncompliance. <input type="checkbox"/> Correction essential as explained below.
<input type="checkbox"/> Submit Health Department letter
6. <input type="checkbox"/> Correction req'd. by rpt. dated _____ not acceptably completed
7. <input type="checkbox"/> Repairs required by form HUD-92800.5B not acceptably completed
8. <input type="checkbox"/> Correction essential as explained below
<input type="checkbox"/> a. Will examine at next inspection
<input type="checkbox"/> b. Do not conceal until reinspected
9. <input type="checkbox"/> No noncompliance observed | 10. <input type="checkbox"/> Acceptable variations as described below (Request for Change, form HUD-92577, may be submitted).
11. <input type="checkbox"/> Extensive noncompliance as explained below (see IV.A below)
12. <input type="checkbox"/> On-site improvements acceptably completed subject to receipt of certification that mortgagee's inspection reveals satisfactory completion of all items listed below.
13. <input type="checkbox"/> On-site improvements acceptably completed except items listed below, completion of which is delayed by conditions beyond control of the builder (see IV.B below).
14. <input type="checkbox"/> On-site improvements acceptably completed
15. <input type="checkbox"/> Off-site improvements
<input type="checkbox"/> a. Correction/Completion essential as explained below
<input type="checkbox"/> b. Completion assured by escrow agreement or governing authority
<input type="checkbox"/> c. Acceptably completed |
|--|---|

II. Explanation of statements checked in Parts I and III

<input type="checkbox"/> Initial Inspection	<input type="checkbox"/> Framing Inspection	<input type="checkbox"/> Final Inspection	<input type="checkbox"/> Other (explain)	<input type="checkbox"/> Repair Inspection	Inspection Number
No.		No.			

Certification: I certify that I have carefully inspected this property on this date. I have no personal interest, present or prospective, in the property, applicant, or proceeds of the mortgage. To the best of my knowledge I have reported all noncompliance, work requiring correction, and unacceptable work.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature	Date (mm/dd/yyyy)	<input type="checkbox"/> Fee Inspector <input type="checkbox"/> DE Staff Inspector	<input type="checkbox"/> Appraiser <input type="checkbox"/> HUD Inspector	ID Number
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A

III. Specific Conditions Required by the HUD-92800.5B, Not Requiring Field Inspection

- | | | |
|--|---|---|
| 16. <input type="checkbox"/> Submit items or resubmit incomplete items as noted above. | 17. <input type="checkbox"/> Acceptable Compliance with all specific conditions not requiring field inspection. | 18. <input type="checkbox"/> Submit Termite Soil Treatment Guarantee. <input type="checkbox"/> None |
|--|---|---|

Approved Signature	Date (mm/dd/yyyy)	<input type="checkbox"/> Direct Endorsement Underwriter <input type="checkbox"/> Chief Architect	<input type="checkbox"/> Deputy	ID Number
--------------------	-------------------	---	---------------------------------	-----------

IV. To Mortgagee: When signed below, refer to the statement on the back corresponding to the designation checked.

- | | | |
|---|---|--|
| <input type="checkbox"/> A. Noncompliance
<input type="checkbox"/> (a) Variations from exhibits.
<input type="checkbox"/> (b) Unacceptable construction.
<input type="checkbox"/> (c) Premature construction. | <input type="checkbox"/> B. Compliance -- Incomplete Items. "Mortgagee's Assurance of Completion", HUD-92300, may be submitted.
for completion not later than: (mm/dd/yyyy)
\$ _____ | <input type="checkbox"/> C. Final Acceptance. Closing papers may be submitted provided mortgage credit analysis is acceptable |
|---|---|--|

Signature	Date (mm/dd/yyyy)	<input type="checkbox"/> Direct Endorsement Underwriter <input type="checkbox"/> Director of Housing Development	<input type="checkbox"/> Deputy	ID Number
-----------	-------------------	---	---------------------------------	-----------

For HUD Use Only for concurrence of Direct Endorsement Processing of this Compliance Inspection Report. If signed, this final report is considered processed by HUD and, thereby, convertible to the Veterans Administration.

Signature of HUD Authorized Agent	Date (mm/dd/yyyy)
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Appraisal Serving as Final Inspection



The appraiser is required to:

- Take additional photographs of each diagonally opposite front and rear corner of the house to record adequate grading and drainage of the site
- Must comment in the appraisal report on the acceptance of the grading and drainage
- Can the Appraisal serve as a final inspection on manufactured housing?

RECONCILIATION	Indicated Value by: Sales Comparison Approach \$	Cost Approach (if developed) \$ 0	Income Approach (if developed) \$
	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 \$ _____ as of _____, which is the date of inspection and the effective date of this appraisal.			

Builder's Certification of Plans, Specifications, & Site

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0496
(exp. 08/31/2012)

Property Address (street, city, State, & zip code)	Subdivision Name
Mortgagee's (Lender's) Name & Address (this is the lender who closed the loan)	FHA Case Number
	Phone Number

1. Site Analysis Information: To be completed on all proposed and newly constructed properties regardless of LTV ratio.

- a. **Flood Hazards.** Are the property improvements in a Special Flood Hazard Area (SFHA)? Yes No
- 1) Provide the community number and date of the Flood Insurance Rate Map (FIRM) used to document your answer. Community Number _____ Map Date _____
- 2) Is the community participating in the National Flood Insurance Program and in good standing? Yes No
- 3) If "Yes" to 1a. above, attach:
- (i) a Letter of Map Amendment (LOMA) or;
- (ii) a Letter of Map Revision (LOMR) or;
- (iii) a signed Elevation Certificate documenting that the lowest floor (including basement) is built in compliance with 24 CFR 200.926d(c)(4).
- b. **Noise.** Is the property located within 1000 feet of a highway, freeway, or heavily traveled road? Yes No
- Within 3000 feet of a railroad? Yes No
- Within one mile of a civil airfield or 5 miles of a military airfield? Yes No
- c. **Runway Clear Zones / Clear Zones.** Is the property within 3000 feet of a civil or military airfield? Yes No
- If "Yes," is the property in a Runway Clear Zone / Clear Zone? Yes No
- d. **Explosive /Flammable Materials Storage Hazard.** Does the property have an unobstructed view, or is it located within 2000 feet, of any facility handling or storing explosive or fire prone materials? Yes No
- e. **Toxic Waste Hazards.** Is property within 3000 feet of a dump or landfill, or a site on an EPA Superfund (NPL) list or equivalent State list? Yes No
- f. **Foreseeable Hazards or Adverse Conditions.**
- (1) Does the site have any rock formations, high ground water levels, inadequate surface drainage, springs, sinkholes, etc.? Yes No
- (2) Does the site have unstable soils (expansive, collapsible, or erodible)? Yes No
- (3) Does the site have any excessive slopes? Yes No
- (4) Does the site have any earth fill? Yes No
- If "Yes," will foundations, slabs, or flatwork rest on the fill? Yes No

Manufactured Home Appraisal Report 1004C



8/16/2010

*FHA - Serving Homebuyers Since
1934*

www.hud.gov

Factory Built Homes



Manufactured Homes

Are constructed to comply with the Federal Manufactured Home Construction & Safety Standards.

Modular

A.K.A. Factory-Built, are constructed to comply with the local State codes and the Uniform Building Code (UBC) or International Residential Code (IRC)

Mobile Homes – Constructed prior to June 15, 1976, the effective date of the Federal HUD Code (uninsurable)

Modular? Manufactured? Site Built?



**You can no longer tell
sitting at the curb.**

Manufactured Home Appraisal Report

File #

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 Address	City	State	Zip Code
Borrower	Owner of Public Record	County	
Legal Description			
Assessor's Parcel #	Tax Year	R.E. Taxes \$	
Neighborhood Name	Map Reference	Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Project Type (if applicable) <input type="checkbox"/> PUD <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Other (describe)		
Special Assessments \$	HOA \$	<input type="checkbox"/> per year	<input type="checkbox"/> per month
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)			
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)			
Lender/Client	Address		
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? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Report data source(s) used, offering price(s), and date(s).			

Manufactured homes located in either a condominium or cooperative project require the appraiser to inspect the project and complete the Project Information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

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.

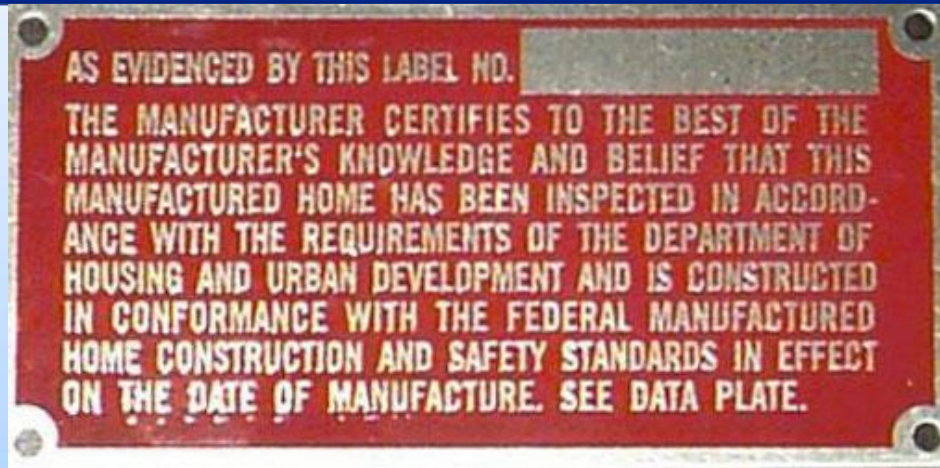
Contract Price \$	Date of Contract	Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s)
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Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, 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.

I did did not analyze the manufacturer's invoice. Explain the results of the analysis of the manufacturer's invoice or why the analysis was not performed.

Retailer's Name (New Construction)

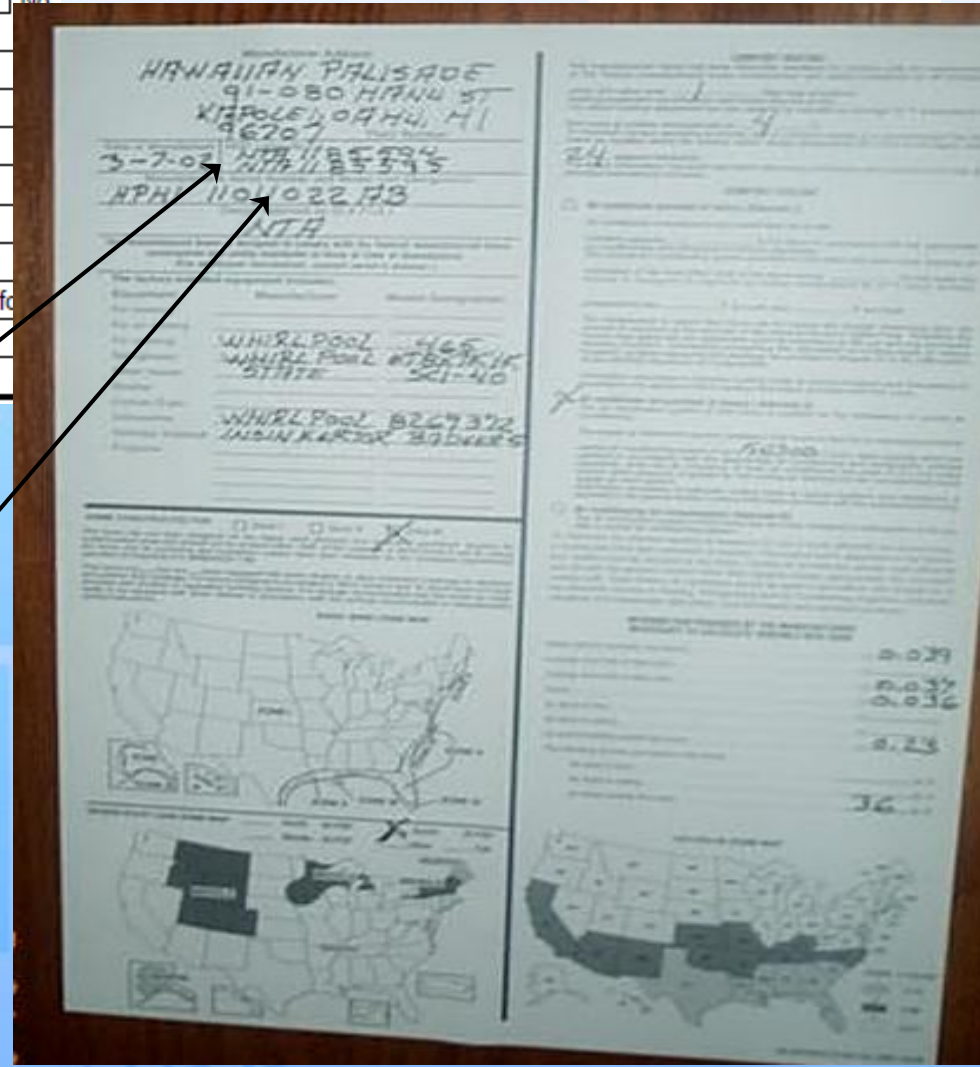
HUD Certification Label, “Red Tag”



HUD Certification Label *must* be affixed to the tail-light end of each transportable section



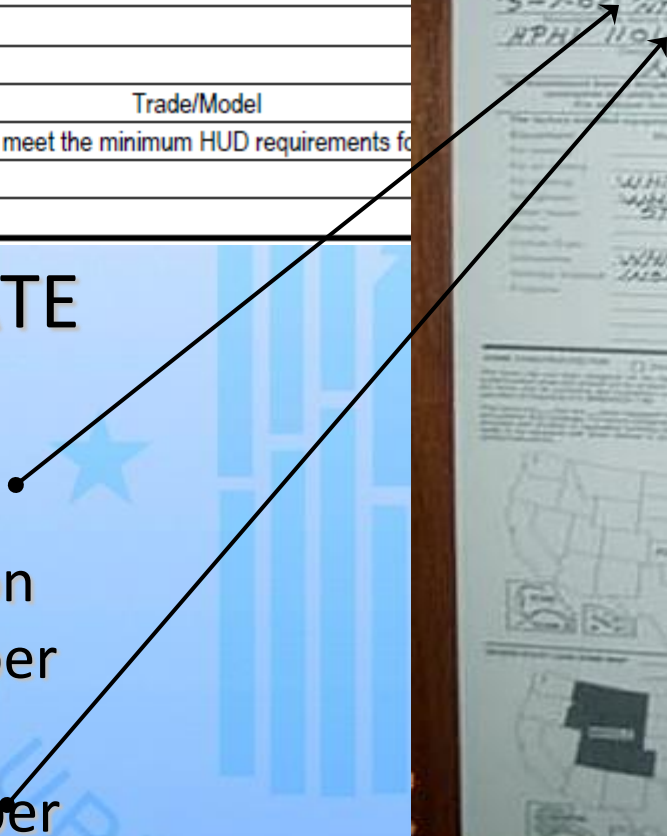
HUD DATA PLATE	The HUD Data Plate/Compliance Certificate is located on the interior of the subject and co manufactured and serial number. The HUD Certification Label is located on the exterior of	
	Is the HUD Data Plate/Compliance Certificate attached to the dwelling? <input type="checkbox"/> Yes <input type="checkbox"/> No	
	Plate/Compliance Certificate information.	
	Is a HUD Certification Label attached to the exterior of each section of the dwelling?	
	Manufacturer's Serial #(s)/VIN #(s)	
	HUD Certification Label #(s)	
	Manufacturer's Name	Trade/Model
	Do the Wind, Roof Load, and Thermal Zones meet the minimum HUD requirements for	



DATA PLATE

HUD
 Certification
 Label Number

Serial Number



Missing HUD Label ?



Obtain the label and/or serial number from data plate or chassis.

Website for IBTS:

www.ibts.org/labelreq.htm

Freedom of Information Act

<http://hud.gov/offices/ogc/foia/foia.cfm>

Foundations & Additions or Modifications



Selection Of Comparables

Manufactured Home Appraisal Report

File #

There are		comparable properties currently offered for sale in the subject neighborhood ranging in price from \$		to \$			
There are		comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$		to \$			
FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address							
Proximity to Subject							
Sale Price		\$		\$		\$	
Sale Price/Gross Liv. Area		\$	sq. ft.	\$	sq. ft.	\$	sq. ft.
Manufactured Home		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Data Source(s)							
Verification Source(s)							
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions							
Date of Sale/Time							
Location							
Leasehold/Fee Simple							
Site							
View							
Design (Style)							
Quality of Construction							
Actual Age							
Condition							
Above Grade		Total	Bdms.	Baths	Total	Bdms.	Baths
Room Count							
Gross Living Area		sq. ft.		sq. ft.		sq. ft.	
Basement & Finished Rooms Below Grade							

At least two of the comparable sales must be manufactured

Manufactured Home: Cost Approach



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)			
ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW			
Source of cost data		Effective date of cost data	
OPINION OF SITE VALUE		Quality rating from	
		Exterior Dimensions of the	
Section One	Sq. ft. @ \$	\$	X
Section Two	Sq. ft. @ \$	\$	X
Section Three	Sq. ft. @ \$	\$	X
Section Four	Sq. ft. @ \$	\$	X
		\$	Total Gross Living Area:
		\$	Other Data Identif
		\$	N.A.D.A. Data Identification Info: Edition Mo:
Sub-total:		\$	MH State: Region: Size:
Cost Multiplier (if applicable):		x	Gray pg. White pg.
Modified Sub-total:			15 years and older Conversion Chart pg.
Physical Depreciation or Condition Modifier:			Comments
Functional Obsolescence (not used for N.A.D.A.):			
External Depreciation or State Location Modifier:			
Delivery, Installation, and Setup (not used for N.A.D.A.):		\$	
Other Depreciated Site Improvements:		\$	
Market Value of Subject Site (as supported above):		\$	



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING
FEDERAL HOUSING COMMISSIONER

May 21, 2009

MORTGAGEE LETTER 2009-16

TO: ALL APPROVED MORTGAGEES
ALL APPROVED APPRAISERS

SUBJECT: **Manufactured Housing Policy Guidance – Property and Underwriting Eligibility**

This Mortgagee Letter provides guidance on manufactured housing eligibility requirements for Federal Housing Administration (FHA) mortgage insurance under Title II of the National Housing Act. Changes to manufactured housing requirements for new and existing construction were made by the Housing and Economic Recovery Act of 2008 (Public Law 110-289, approved July 30, 2008) (HERA). This mortgagee letter addresses those changes that can be implemented immediately.

I. DEFINITIONS

A. *Anchorage* – Connection between superstructure and foundation, by means of

MORTGAGEE LETTER 2009-16

SUBJECT: **Manufactured Housing Policy Guidance – Property and Underwriting Eligibility**

Condo or PUD?

Condominium

- Any mortgage covering a one-family unit in a project coupled with an undivided interest in the common areas and facilities which serve the project.

May include dwelling units in detached, semi-detached, row garden-type, low or high rise structures.

- * Note: Remaining Economic Life is to be entered in the Reconciliation section of the Form 1073 as a statement similar to that contained in the Cost Approach section of the other three FHA approved forms, i.e., “Estimated Remaining Economic Life ____ Years”.

PUD (Planned Unit Development)

- The development contains common areas and facilities owned by a homeowners’ association which all homeowners must belong and pay lien-supported assessments.

Individual Condominium Unit Appraisal Report

File #

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.					
Property Address		Unit #	City	State	Zip Code
Borrower		Owner of Public Record		County	
Legal Description					
Assessor's Parcel #			Tax Year	R.E. Taxes \$	
Project Name		Phase #	Map Reference	Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant		Special Assessments \$		HOA \$	<input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)					
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)					
Lender/Client		Address			
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? <input type="checkbox"/> Yes <input type="checkbox"/> No					
Report data source(s) used, offering price(s), and date(s).					

This form is designed to report an appraisal of a unit in a condominium project based on an interior and exterior inspection of the subject property.

Condominiums are set forth in the Code of Federal Regulations



PROJECT INFORMATION	Data source(s) for project information					
	Project Description <input type="checkbox"/> Detached <input type="checkbox"/> Row or Townhouse <input type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise <input type="checkbox"/> Other (describe)					
	General Description		General Description		Subject Phase	
	# of Stories		Exterior Walls		# of Units	
	# of Elevators		Roof Surface		# of Units Completed	
	<input type="checkbox"/> Existing <input type="checkbox"/> Proposed		Total # Parking		# of Units For Sale	
	<input type="checkbox"/> Under Construction		Ratio (spaces/units)		# of Units Sold	
	Year Built		Type		# of Units Rented	
	Effective Age		Guest Parking		# of Owner Occupied Units	
	Project Primary Occupancy <input type="checkbox"/> Principle Residence <input type="checkbox"/> Second Home or Recreational <input type="checkbox"/> Tenant					
Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No						
Management Group - <input type="checkbox"/> Homeowners' Association <input type="checkbox"/> Developer <input type="checkbox"/> Management Agent - Provide name of management company.						
Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe						

FHA Approved Condo Project

<https://entp.hud.gov/idapp/html/condlook.cfm>

Condominium Approval Process—Single Family Housing Mortgagee Letter 09-19

FHA Connection Condominiums



Condominiums

Help Links ?

Approval Method: ?

Sorted By:

State:

Condo ID:

Condo Name:

City:

Zip Code:

Status:

 Send  Reset

Small Residential Income Property Appraisal Report File

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.

Property Address	City	State	Zip Code
Borrower	Owner of Public Record	County	
Legal Description			
Assessor's Parcel #	Tax Year	R.E. Taxes \$	
Neighborhood Name	Map Reference	Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	<input type="checkbox"/> PUD	HOA \$ <input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)			
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)			
Lender/Client	Address		
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? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Report data source(s) used, offering price(s), and date(s).			
<input type="checkbox"/> I did <input type="checkbox"/> 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 Contract Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No Data 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? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, report the total dollar amount and describe the items to be paid.			
Note: Race and the racial composition of the neighborhood are not appraisal factors.			
Neighborhood Characteristics		2-4 Unit Housing Trends	
Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE
Built-Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)
		2-4 Unit	Present Land Use %
			One-Unit %

Small Residential Income Property Appraisal Form, FNMA 1025

This report form is designed to report an appraisal of a 2-4 unit property.

Required exhibits include an Operating Income Statement (Form #216) or an acceptable cash flow and operating income statement for investment property (including a two-four unit property in which the borrower will occupy one unit as a primary residence).

Handbooks

4150.2 (6/99) Valuation Analysis

4145.1 REV 2 (12/91) Architectural
Processing & Inspections

4905.1 REV 1 (3/91) Requirements for
existing 1-4 family units

4910.1(7/94) Appendix K, MPS

Proposed construction – 1-4 family

Mortgagee Letters



- 09-51 Adoption of the Appraisal Update &/or Completion Report**
- 09-48 Second Appraisal Reporting Requirements**
- 09-46b Condominium Approval Process for Single Family Housing**
- 09-30 Appraisal Validity Periods**
- 09-29 Appraisal Portability**
- 09-28 Appraiser Independence**
- 09-19 Condominium Approval Process—Single Family Housing**
- 09-16 Manufactured Housing Policy Guidance—Property and Underwriting Eligibility**
- 09-09 Adoption of Market Conditions Addendum (1004MC)**
- 06-33 New Construction - Architectural Exhibits Requirements**
- 06-14 Property Flipping Prohibition Amendment**
- 05-48 FHA Repair and Inspection Requirements**
- 05-02 Seller Concessions and Verification of Sales**

Thank you!

Disclosure



THE PURPOSE OF THIS PRESENTATION IS AN OVERVIEW OF THE SUBJECT MATTER WITH SUMMATION AND EXPLANATION OF RECENT CHANGES IN FHA POLICY. IT INTRODUCES AND EXPLAINS, RATHER THAN SUPPLANTS, OFFICIAL POLICY ISSUED IN HANDBOOKS AND MORTGAGEE LETTERS. IF YOU FIND A DISCREPANCY BETWEEN THE PRESENTATION AND HANDBOOKS, MORTGAGEE LETTERS, ETC., THE OFFICIAL POLICIES PREVAIL. PLEASE NOTE THE INFORMATION PROVIDED IN THIS TRAINING IS SUBJECT TO CHANGE.

PLEASE CONSULT HUD ONLINE HANDBOOKS AT [HTTP://WWW.FHAOUTREACH.GOV/FHAHANDBOOK/PROD/CONTENTS.ASP?ADDRESS=4155-1](http://www.fhaoutreach.gov/fhahandbook/prod/contents.asp?address=4155-1) AND MORTGAGEE LETTERS THROUGH [HTTP://WWW.HUD.GOV/OFFICES/ADM/HUDCLIPS/LETTERS/MORTGAGEE/INDEX.CFM](http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/index.cfm) FOR THE MOST RECENT UPDATES AND CURRENT POLICY.