Unless noted, a “No” answer indicates a need for further review and/or explanation.

|  | **MMC Appraisal Review Procedures** |
| --- | --- |
|  | **Appraisal Section** | **Yes** | **No** | **Examiner Notes** [Document supporting evidence and note determinations and findings made.] |
|  |
| REFINANCES |
| 1 | The subject property should not be offered for sale on a refinance transaction. Is the appraisal report marked correctly?  |  |  |  |
| 2 | Is the OCCUPANT marked owner (refinances of primary residences only)? |  |  |  |
| SUBJECT PROPERTY |
| 3 | Does the Property Address on the appraisal match the property address on the contract and Residential Loan Application (1003)?  |  |  |  |
| 4 | Does the Borrower on the appraisal match the contract and 1003? |  |  |  |
| 5 | Is the owner of Public Record the same as the owner on the contract and title? |  |  |  |
| 6 | Is the property a PUD or Condo? (If yes, add HOA dues to DTI ratio) |  |  |  |
| 7 | Is the property listed as fee simple? |  |  |  |
| 8 | Does the assignment (transaction) type match the 1003? |  |  |  |
| 9 | Is the Lender/Client listed correctly? |  |  |  |
| 10 | Has the property been listed for sale in the last 12 months? |  |  |  |
| CONTRACT |
| 11 | Did the appraiser analyze the contract? |  |  |  |
| 12 | Does the contract (with all addendums) price and date on appraisal match contract in file? |  |  |  |
| 13 | Are there any seller contributions or seller concessions? |  |  |  |
| NEIGHBORHOOD |
| 14 | Are Property Values increasing or Stable? |  |  |  |
| 15 | Is Demand/Supply Shortage or in Balance? |  |  |  |
| 16 | Is marketing time under 3 months or 3-6 months? |  |  |  |
| 17 | Have you read all comments? (If no, read comments thoroughly) |  |  |  |
| SITE |
| 18 | Is Zoning Classification = Residential? |  |  |  |
| 19 | Is property Highest & Best Use = Yes? |  |  |  |
| 20 | Is site less than 10 acres? |  |  |  |
| 21 | Are Water and Sewer public? (If no, did appraisal make derogatory comment, i.e. well and/or septic certification required) |  |  |  |
| 22 | Is the Street Public? (If no, review title for easements i.e. shared driveway, private road maintenance) |  |  |  |
| 23 | Is property in a Flood Hazard Area? (If yes, confirm with flood certification) |  |  |  |
| 24 | Have you read all comments? (If no, read comments thoroughly) |  |  |  |
| IMPROVEMENTS |
| 25 | Is the difference between Year Built and Effective age reasonable? |  |  |  |
| 26 | Are Exterior and Interior Items in average or better condition? |  |  |  |
| 27 | Is subject property free from physical deficiencies that would affect liability, soundness, or structural integrity? |  |  |  |
| 28 | Have you read all comments? (If no, read comments thoroughly) |  |  |  |
| SALES COMPARISON GRID |
| 29 | Do the 1st and 2nd lines (# of available comps) at top of page 2 confirm information regarding the Neighborhood section on page 1 and age of comparable? |  |  |  |
| 30 | Is the subject property description on page 2 consistent throughout the appraisal? |  |  |  |
| 31 | Are comparable sales dated within 6 months? (If no, be aware of declining market issues) |  |  |  |
| 32 | Did the appraiser provide comments relating to any time adjustments? (If yes, be aware of declining market issues) |  |  |  |
| 33 | Are comparable sales within close proximity of subject for neighborhood character (Urban, Suburban, etc.)? |  |  |  |
| 34 | Do the comparable sales have sales prices Gross Living Areas that bracket the subject?  |  |  |  |
| 34 | Is comparable sales source acceptable? |  |  |  |
| 35 | Are financing concessions in grid consistent with appraiser comments? |  |  |  |
| 36 | Is date of sale consistent with marketing time on Page 1 and top 2 lines on page 2? |  |  |  |
| 37 | Do comparable sales have similar characteristics that would impact marketability (style, square footage, bedroom count, etc.)? |  |  |  |
| 38 | Does the subject have any auxiliary features (I.e. Studio, mother-in-law suite, guest suite, etc.)? *A “YES” answer warrants further review.* |  |  |  |
| 38a | If so, is marketability demonstrated via acceptable comparable sales? |  |  |  |
| 38b | Should the property be considered a 2-4 family property? *A “YES” answer warrants further review.* |  |  |  |
| 39 | Does the subject property have a unique design (i.e. log home, earth berm home, geodesic dome, etc)? *A “YES” answer warrants further review.* |  |  |  |
| 40 | Are any line adjustments greater than 10 percent? *A “YES” answer warrants further review.* |  |  |  |
| 41 | Are net and gross adjustments greater than 15% and 25%, respectively? *A “YES” answer warrants further review.* |  |  |  |
| 42 | Is square footage of comparable sales similar to that of the subject? |  |  |  |
| 43 | Has any below-grade square footage been included in overall calculation? *A “YES” answer warrants further review.* |  |  |  |
| 44 | Are there any “upgrade” adjustments (i.e. pool, outbuilding, etc)? *A “YES” answer warrants further review.* |  |  |  |
| 45 | Did appraiser research the sale/transfer history of subject and comparable sales? |  |  |  |
| 46 | Has subject sold or transferred within the last 3 years? *A “YES” answer warrants further review.* |  |  |  |
| 47 | Have comparable sales sold or transferred within the last 12 months? *A “YES” answer warrants further review.* |  |  |  |
| 48 | Are subject and comparable sales void of foreclosure and non-arm’s length transactions? |  |  |  |
| 49 | Have you read all comments? (If no, read comments thoroughly). |  |  |  |
| RECONCILIATION |
| 50 | Is the appraisal made “as is”? |  |  |  |
| 50a | If yes, is following comment made: “No adverse conditions exist that affect livability, soundness, or structural integrity.” |  |  |  |
| 50b | If no, and subject to completion or repairs, is a final inspection with photos documented? |  |  |  |
| APPRISAL ADDENDA/OTHER |
| 51 | Does appraisal contain all exhibits/attachments? |  |  |  |
| 52 | Are subject photos and sketch consistent with appraiser’s description? |  |  |  |
| 53 | Do photos of subject and comparable sales look similar? |  |  |  |
| 54 | Per the comparable sales map, are comparable sales located within the subject market area? |  |  |  |
| 55 | Is the appraisal dated within 12 months? |  |  |  |
| 56 | Is the appraisal dated within 120 days? |  |  |  |
| 57 | Does the appraised value support the sales price? |  |  |  |
| 58 | Is the appraisal signed and dated? |  |  |  |
| 59 | Is the appraiser licensed and is a copy of their license attached to the appraisal? |  |  |  |
| 60 | Have you read all comments? (If no, read comments thoroughly). |  |  |  |