FHA Single Family Housing

Appraisal Report and Data Delivery Guide

Effective on or after June 15, 2015.

FHA Single Family Housing Appraisal Report and Data Delivery Guide

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A. APPRAISAL REPORT AND DATA DELIVERY TO FHA

This document provides guidance to appraisers who are preparing residential appraisal reports utilizing the industry standard forms and to lenders who are submitting the appraiser's completed reports to FHA. FHA policy requires that the appraisal report be submitted on the form appropriate for the property type.

FHA has procured an Electronic Appraisal Delivery (EAD) system, which provides portal to access all HUD approved lenders. The solution will allow electronic appraisal files to be uploaded to a central location, processed, and checked against an FHA defined rule set. The original file, as well as the results of the scoring process will then be securely transferred to HUD servers.

For the EAD portal, FHA will only accept appraisals in the Mortgage Information Standards Maintenance Organization (MISMO) 2.6 with embedded PDF format, as created directly by the appraiser (first generation). FHA does not accept private or proprietary data formats or appraisal reports that have been manipulated or "translated by anyone or any process.

The EAD shall apply business rules, edits and handle overrides, based on the FHA's requirements for rule sets that are applied to appraisals. The portal will securely transmit discrepancies, findings, and other feedback messages to users based on FHA's requirements.

The appraiser is required to follow HUD/FHA guidance and comply with the Uniform Standards of Professional Appraisal Practice (USPAP) when completing appraisals of property used as security for FHA-insured mortgages. The Fannie Mae Form 1004 MC/Freddie Mac Form 71, *Market Conditions Addendum to the Appraisal Report*, must be completed for every appraisal. The following table provides a list of the form type and MISMO format required for each property type.

Property/Assignment Type	Acceptable Reporting Form
Single Family, Detached, Attached or Semi-Detached Residential Property	Fannie Mae Form 1004/Freddie Mac Form 70, *Uniform Residential Appraisal Report*; MISMO 2.6 GSE format
Single Unit Condominium	Fannie Mae Form 1073/Freddie Mac Form 465, *Individual Condominium Unit Appraisal Report;* MISMO 2.6 GSE format
Manufactured (HUD Code) Housing	Fannie Mae Form 1004C/Freddie Mac Form 70B, *Manufactured Home Appraisal Report;* MISMO 2.6 Errata 1 format
Small Residential Income Properties (Two- to Four-Units)	Fannie Mae Form 1025/Freddie Mac Form 72, *Small Residential Income Property Appraisal Report;* MISMO 2.6 Errata 1 format
Update of Appraisal (All Property Types)	Summary Appraisal Update Report Section of Fannie Mae Form 1004D/Freddie Mac Form 442, *Appraisal Update and/or Completion Report;* MISMO 2.6 Errata 1 format

Property/Assignment Type	Acceptable Reporting Form
Compliance or Final Inspection for New Construction or Manufactured Housing	Form HUD-92051, *Compliance Inspection Report*, in Portable Document Format (PDF)
Compliance or Final Inspection for Existing Property	Certificate of Completion Section of Fannie Mae Form 1004D/Freddie Mac Form 442, *Appraisal Update and/or Completion Report;* MISMO 2.6 Errata 1 format

The following sections provide instructions for completion of the forms and providing the data needed by FHA.

B. UNIFORM RESIDENTIAL APPRAISAL REPORT FORM FOR ONE FAMILY RESIDENTIAL PROPERTIES

This section provides specific instructions for completing the Fannie Mae Form 1004/Freddie Mac Form 70, *Uniform Residential Appraisal Report (URAR)*. The Federal Housing Administration (FHA) requires that this form be submitted in the Mortgage Industry Standards Maintenance Organization (MISMO) 2.6 Government-Sponsored Enterprise (GSE) format, which is an Extensible Markup Language (XML) document with an embedded Portable Document Format (PDF) as created by the appraiser.

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), based on an interior and exterior inspection of the subject property. This form is not designed to report an appraisal of Manufactured Housing or a unit in a condominium or cooperative project.

1. Subject Section

This section provides the factual data to identify the property, and the parties to the appraisal process. The FHA case number together with the Borrower and/or property information will be supplied by the mortgagee/client who engages the appraiser.

The following table provides instruction for completing the "Subject" section of the form.

Field	Protocol
FHA Case Number/ Appraiser Additional File Number	Insert the FHA case number at the top of the upper right hand corner to correspond with the XML label /VALUATION_RESPONSE/REPORT/@AppraiserAdditionalFileIdentifier must be formatted as xxx-xxxxxxx • This may also appear in a similar place on the other pages of the report but it is not a strict requirement. • The FHA appraisal may not be transmitted to the mortgagee without a case number. • In most software packages, this is formatted as an additional file number.

Field	Protocol
Appraiser's File Number	• This is the appraiser's choice of file number/name. • This field occurs on every page of the form and must be consistent. • The placement of the header on the form varies from vendor to vendor.

Property Address	• It must conform to the *Mailing Standards of the United States Postal Service*, Publication 28 (USPS (Pub. 28)) – Postal Addressing Standards. The following address elements must be included in this field:
	  ○ street number
	  ○ street name (including applicable pre-directional indicator, suffix, and/or post-directional indicator)
	  ○ address unit designator and number (if applicable)
	• This data is referenced more than once on the form and must be represented consistently.
	• If the property's legal location is different from the property's mailing address (for instance, the property is located in a different municipality or in an unincorporated area) explain this in the appraisal report.

City	• It must conform to USPS (Pub. 28). The following address element must be included in this field: City (Postal Address City). • This data is referenced more than once on the form and must be represented consistently.
State	• It must conform to USPS (Pub. 28). The following address element must be included in this field: USPS two-letter state or territory representation. • This data is referenced more than once on the form and must be represented consistently.
Zip Code	• It must conform to USPS (Pub. 28). The following address element must be included in this field: five-digit ZIP Code or ZIP+4 Code (with or without the dash). • This data is referenced more than once on the form and must be represented consistently.
Borrower	• Enter the name of the Borrower.
Owner of Public Record	• Enter the name of the owner as listed in public records. • If the seller is not the owner of public record, the appraiser must explain.
County	• If the subject property is not located in any county (e.g., the subject property is located in an independent city), enter the name of the local municipality or district in which the property is located.
Legal Description	• Enter the legal description of the property. • The four types of legal descriptions are lot and block system; geodetic survey; government survey system; and metes and bounds description. • If the space provided is insufficient, enter this information with the heading "Legal Description" in the "Additional Comments" section of the form report or attach this information as an addendum.

Field	Protocol
Assessor's Parcel #	• Enter the parcel number assigned by the local tax assessor. • For those areas that do not have an assessor's parcel number, enter the tax identification number. • If more than one parcel number is applicable, each must be listed, separated by a semicolon.
Tax Year	• It must be in a four-digit year format. • Data Format: yyyy.
R.E. Taxes $	• Enter the dollar amount of the annual real estate taxes, including all relevant taxes (school district tax, fire district tax, etc.). • Use whole dollars only.
Neighborhood Name	• Enter the name of the subdivision, if applicable, or the commonly known local neighborhood designation. • If the subject property is in a PUD, provide the name of the development.
Map Reference	• Enter the location map reference, page number and coordinates from the source used. • This reference should relate to the location maps most commonly used in the locale.
Census Tract	• Enter the census tract number. • The census tract number must be provided. • Census tract numbers have four digits and may have a two digit decimal suffix. • Where the basic census tract number is less than four digits, the Census Bureau includes leading zeroes except when displaying numbers on maps or printed reports. • To uniquely identify a census tract, a two-digit state code and three-digit county code precede the four or six-digit census tract number. • The Census Bureau has an Internet resource guide for locating census information at www.census.gov.

Occupant	• Mark the box signifying the occupancy status at the time of the appraisal.
	• If vacant, the appraiser must note, in the "Improvements" section under "condition of the property," whether the utilities were on or off at the time of the appraisal.
	• With the exception of U.S. Department of Housing and Urban Development (HUD) Real Estate Owned (REO) properties, if utilities are not turned on the appraiser must:
	  ○ condition the appraisal on a satisfactory re-inspection;
	  ○ state that the utility was off at the time of the appraisal; and
	  ○ Include an extraordinary assumption that the mechanical equipment does not require alteration, repair or further inspection once the utilities are restored.

Field	Protocol
Special Assessments $	• Report the dollar amount of special assessments for the subject property, if any, and provide a brief explanation for the assessment. • Special assessments can include municipal bond debt for off-site improvements. • Larger than typical special assessments may affect marketability. • Use whole dollars only. • If there are no special assessments applicable to the subject property, the appraiser must enter 0 in this data field.
PUD	• Check the box if the property is located in a PUD.
HOA $	• Enter the dollar amount of the Homeowners' Association (HOA) fee and mark the box indicating if the fees are paid "per year" or "per month." • Use whole dollars only. • If there are no mandatory HOA fees applicable to the subject property, appraiser must enter 0 in this data field.
Property Rights Appraised	• Mark the appropriate box indicating the property rights appraised for the subject property as of the date of the appraisal. • "Other" includes Land Trust.

Assignment Type	• Mark the appropriate box indicating the assignment type:
	  o Purchase Transaction
	  o Refinance Transaction
	  o Other (describe)

Lender/Client	• Enter the name of the mortgagee/client that ordered and will receive the appraisal report. • The intended use of the appraisal is solely to assist FHA in assessing the risk of the property securing the FHA-insured mortgage (24 CFR 200.145(b)). FHA and the Mortgagee are the intended users of the appraisal report. The FHA Appraiser does not guarantee that the property is free from defects. The appraisal establishes the value of the property for mortgage insurance purposes only.
Address	• Enter the mortgagee/client's address. • This data is referenced more than once on the form and must be represented consistently to the extent the available space permits. • The printed version of this field must appear completely in this location on the form, but may be truncated in the other locations.

Field	Protocol
UAD Days On Market Description	• If there are no current or prior offerings in the 12 months prior to the effective date of the appraisal, then this field must indicate the data sources used to establish this fact.
Currently offered for sale?	• The appraiser's certification states in part, "I have researched, verified, analyzed and reported on any current agreement of sale of the subject property, any offering for sale of the subject property in the twelve months prior to the effect date of the appraisal." • Mark the appropriate box indicating whether the subject is currently offered for sale or has been offered for sale in the 12-month period prior to the effective date of the appraisal. • If there are multiple actions, report each instance. • Research may reveal an expired or withdrawn listing, which may provide a good indication of the upper limits of value.
Report data source(s) used, offering price(s), and date(s).	• Enter the Days on Market in Uniform Appraisal Dataset (UAD) format. • Enter the listing date, offering price, and terms. Report changes to prices and terms, with the dates of those changes. • Report the data source. • Report all relevant listing activity, including any prior listings within the last three years. (FHA Specific) • Additional information can be carried over into the addendum. • If there have been no offerings in the prior 12 months, this field must indicate the data sources used to establish this fact.

2. Contract Section

This section must be completed when the appraisal assignment involves a purchase transaction, otherwise enter "N/A" for not applicable. FHA requires that the appraiser be provided with a complete copy of the ratified sales contract, including all addenda, for the subject property.

The contract provides the contract price (accepted offer), date of sale, and all financial terms implicit in the offer. If unable to obtain this information, the appraiser is to state what efforts were made to obtain it.

The following table provides instruction for completing the "Contract" section of the report form.

<table>
<tr><th>Field</th><th>Protocol</th></tr>
<tr><td>Analyze Contract for Sale</td><td>• Mark the appropriate box to identify whether the appraiser did or did not analyze the contract for sale for the subject purchase transaction.
• Explain the results of the analysis (terms and conditions) of the contract for sale or why the analysis was not performed.
• The analysis may include a reference to the number of pages contained in the contract for sale provided.
• Identify the source(s) used, price(s) and date(s) of current or prior listings.
• If purchaser name in contract does not match borrower name provided by the lender, include a comment.</td></tr>
<tr><td>Contract Price $</td><td>• Enter the final agreed upon contract price.
• Use whole dollars only.</td></tr>
<tr><td>Date of Contract</td><td>• Enter the date of the contract.
• This is the date when all parties have agreed to the terms of, and signed the contract.
• The data input format is: yyyy-mm-dd, but PDF will display this format: mm/dd/yyyy.</td></tr>
<tr><td>Defined Transaction Types</td><td>• Explain the results of the analysis of the contract for sale or why the analysis was not performed.
• The allowable values are listed below and are self-explanatory. The abbreviated version is displayed in the sales adjustment grid.
<table>
<tr><th>Allowable Values</th><th>Abbreviation</th></tr>
<tr><td>REOSale</td><td>REO</td></tr>
<tr><td>ShortSale</td><td>Short</td></tr>
<tr><td>CourtOrderedSale</td><td>CrtOrd</td></tr>
<tr><td>EstateSale</td><td>Estate</td></tr>
<tr><td>RelocationSale</td><td>Relo</td></tr>
<tr><td>NonArmsLengthSale</td><td>NonArm</td></tr>
<tr><td>ArmsLengthSale</td><td>ArmLth</td></tr>
</table></td></tr>
</table>

Field	Protocol
Is the property seller the owner of public record?	• Mark the appropriate box indicating whether the seller is the owner of public record. • The appraiser is instructed to contact the mortgagee/client if the seller is someone other than the owner of record, as the property may not be eligible for FHA financing if it involves Property Flipping (resale in less than 90 Days). • The mortgagee will make a determination for any exceptions to FHA's Property Flipping rule and advise the appraiser. • Report where the information was obtained.
Sales Concessions Downpayment Assistance	• Mark the appropriate box indicating whether or not there is any financial assistance (loan charges, Sales Concessions, gift or down payment assistance, etc.) paid by any party on behalf of the Borrower. • If necessary, use the "Additional Comments" section of the appraisal reporting form, or an addendum, and enter the heading "Sales Concessions" completing the description. • If applicable, the appraiser is to report the total dollar amount and describe the items to be paid. • If the sale involves Personal Property (e.g., an aboveground pool, lawn mower, furniture, etc.) it must be identified and excluded from the valuation.

3. Neighborhood Section

This section reflects the area surrounding the subject property. The appraiser must observe neighborhood characteristics and surrounding properties to make determinations that will be incorporated into the valuation of the subject property. In all instances, the appraiser must mark the appropriate box for each line in the "Neighborhood Characteristics" and "Housing Trends" sections. Failure to note conditions that may adversely affect the value of the property is poor appraisal practice and violates the Uniform Standards of Professional Appraisal Practice (USPAP).

The following table provides instruction for completing the "Neighborhood" section of the form. NOTE: Race and the racial composition of the neighborhood are not appraisal factors.

Field	Protocol

Location	• Enter the type of area surrounding the subject property:
	  ○ urban – relates to a city
	  ○ suburban – relates to an area adjacent to a city
	  ○ rural – relates to the country or beyond the suburban area
	  ○ Mark only one box that best describes the type of area.

Built-Up	• Enter the built-up percentage – the percentage of available land that has been improved. • Land such as a state park would not be considered available land.
Growth	• Enter the growth rate. • If many lots are available, the growth rate may be rapid, stable or slow, but if the neighborhood is fully developed, select the "Stable" box.

The following table provides instruction for completing the "One-Unit Housing Trends" section of the report form.

Field	Protocol
Property Values	• Mark the box describing the current trend in the As-Is Property Values for one-unit houses in the community. • Comparing houses that have been sold and resold in recent years is an effective way to determine market trends. • Appraisers who use this method, however, should make sure to factor in any improvements or changes made to the property between sales.
Demand/ Supply	• Mark the appropriate demand/supply trend. • To determine the equilibrium status of supply and demand in the neighborhood, compare the number of houses sold to the number of houses listed for sale in a recent time period. • The similarity or difference between the number of houses sold and listed, not the absolute numbers, should determine the demand/supply level.
Marketing Time	• Mark the appropriate marketing time – the typical length of time a one-unit property in the subject's neighborhood would have to stay on the market before being sold at a price near its Market Value.

The following table provides instruction for completing the "One-Unit Housing" price and age trends section of the report form.

Field	Protocol
Price	• Enter the low, high and predominant prices found within the neighborhood/market area. • The range should include the minimum and maximum ends of the range, excluding outliers. • The predominant value should reflect a point in the range where most of the prices occur.
Age	• Enter the low, high and predominant age of houses found within the neighborhood/market area. • The range should include the minimum and maximum ends of the range, excluding outliers. • The predominant age should reflect a point in the range when most of the houses were built.

The following table provides instruction for completing the "Present Land Use %" section of the report form.

Field	Protocol
Present Land Use %	• Estimate each type of land usage in the neighborhood. • If there is no land in the neighborhood with one of the designated classifications, enter 0. • If a portion of the land consists of parks or other unspecified classifications, enter the estimated percentages on the "Other" line and explain in the "Neighborhood Description" section. • Total of all land use must = 100%.

The following table provides instruction for completing the narrative "Neighborhood Boundaries, Description and Marketing Conditions" sections of the report form.

Field	Protocol
Neighborhood Boundaries	• The appraiser must clearly define the boundaries – north, south, east and west – of the subject's neighborhood. • Provide a description of neighborhood boundaries by physical features (such as streets, rail lines, other man-made barriers or well-defined natural barriers, i.e. rivers, lakes, etc.), and details regarding neighborhood composition.

Field	Protocol
Neighborhood Description	• Discuss factors that would attract residents or cause them to reject the neighborhood. Some typical factors important to discuss include: ○ level of maintenance and condition of housing ○ housing styles, ages, sizes, etc. ○ land uses ○ proximity to employment and amenities, including travel distance and time to local employment sources and community amenities ○ employment stability, in terms of variety of employment opportunities and industries ○ overall appeal of the neighborhood as compared to competitive neighborhoods in the same market ○ convenience to shopping with respect to distance, time and required means of transportation ○ convenience to schools in terms of the distance and time for travel to school
Market Conditions (including support for the above conclusions)	• Provide relevant information in support of the conclusions relating to trends in the As-Is Property Values, demand/supply and marketing time. • Provide a description of the prevalence and impact of sales and financing concessions and/or downpayment assistance in the subject's market area. • Other areas of discussion may include Days on Market, list to sale price ratios, and/or financing availability.

4. Site Analysis Section

This information provides the description of the land underlying the subject property. Insert factual information on each of the lines provided and report the conclusions as directed. Consider all aspects of the physical description and reconcile them in the opinion of Market Value. This section of the appraisal requires the appraiser to consider any adverse site conditions or adverse external factors that may affect value.

The following table provides instruction for completing the "Site" section of the report form.

Field	Protocol
Dimensions	• List all dimensions of the site beginning with the frontage. • If the shape of the site is irregular, show the boundary dimensions (e.g., 85' X 150' X 195' X 250'), or attach a property survey, site plan or plat, or legal description with the comment "see attached."

<table>
<tr><th>Field</th><th>Protocol</th></tr>
<tr><td></td><td>• Do not list the site area on the dimensions line.</td></tr>
<tr><td>Area</td><td>• Enter the site area in square feet if less than one acre, or acres if one acre or more.
• This entry must be consistent with the dimensions provided in the “Dimensions” field.</td></tr>
<tr><td>Shape</td><td>• Describe the shape of the site, e.g., triangular, square, rectangular, irregular, or flag lot.</td></tr>
<tr><td>View</td><td>• Briefly describe the view from the property (“None” is not an acceptable response).
• Identify a view with a significant positive or negative influence on the value.
• Photographs are required for any negative or positive view influences affecting value or marketability.</td></tr>
<tr><td>UAD View Description</td><td>• Site descriptions for the subject and comparable properties should include an indication of the appeal of the site to the market. The UAD allowable values are listed below:
<table>
<tr><th>Allowable Values</th><th>PDF Display</th></tr>
<tr><td>Neutral</td><td>N</td></tr>
<tr><td>Beneficial</td><td>B</td></tr>
<tr><td>Adverse</td><td>A</td></tr>
</table>
• Since this data is used to describe the subject and the comparable properties, the judgment or methodology should be consistently applied.
• In addition to the judgment of potential benefit or adversity of the view, a description of the view also includes what one can see from the property. The UAD allowable values are listed below:
<table>
<tr><th>Allowable Values</th><th>PDF Display</th></tr>
<tr><td>WaterView</td><td>Wtr</td></tr>
<tr><td>PastoralView</td><td>Pstrl</td></tr>
<tr><td>WoodsView</td><td>Woods</td></tr>
<tr><td>ParkView</td><td>Prk</td></tr>
<tr><td>GolfCourseView</td><td>Glfvw</td></tr>
<tr><td>CityViewSkylineView</td><td>CtySky</td></tr>
<tr><td>MountainView</td><td>Mtn</td></tr>
<tr><td>ResidentialView</td><td>Res</td></tr>
<tr><td>CityStreetView</td><td>CtyStr</td></tr>
<tr><td>IndustrialView</td><td>Ind</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Field</th><th>Protocol</th></tr>
<tr><td></td><td>
<table>
<tr><td>PowerLines</td><td>PwrLn</td></tr>
<tr><td>LimitedSight</td><td>LtdSght</td></tr>
<tr><td>Other</td><td>Explain</td></tr>
</table>

The appraiser can then show the reader a general description of the view and whether the effect to the property is positive, negative or neutral.
“Other” provides the opportunity to describe a view not included in the list. Due to space limitations on the form, the appraiser may have to describe and explain this in the addendum.
When comparing the other properties to the subject, these labels assist in explaining why an adjustment was made or why it may not be adjusted.

</td></tr>
<tr><td>Specific Zoning Classification</td><td>

Enter the specific zoning classification used by the local municipality or jurisdiction, e.g., R-1, A-2, Res.200, etc.
DO NOT GUESS OR ASSUME.
If no zoning exists, enter “None Exists.”

</td></tr>
<tr><td>Zoning Description</td><td>

Describe what the specific classification means.
Include a general statement describing what the zoning permits.
For example:

R-1 = Residential-Single Family, one acre minimum site size;
R-100 = Residential Single Family, 10,000 sf minimum site size;
R6 = Residential Single Family, minimum 60 feet frontage, 6,000 sf minimum site size;
R5 = Single Family Residential, five Dwelling Units per acre; or
R4 = One- to Four-Unit Residences and Flats.

If “None” exists, describe the prevalent use of sites in the neighborhood.

</td></tr>
<tr><td>Zoning Compliance</td><td>

Determine whether the current use complies with the zoning ordinances.
Mark whether it is “Legal,” “Legal Non-Conforming” (Grandfathered Use), “No Zoning,” or “Illegal Use.”
If the existing property does not comply with all of the current zoning regulations (use, lot size, improvement size, off-street parking, etc.) but is accepted by the local zoning authority, enter “Legal Non-Conforming,” provide a brief explanation, and state whether the property may legally be rebuilt if destroyed.
If the use is not legal, the property is not eligible for FHA mortgage insurance.

</td></tr>
</table>

Field	Protocol
Highest and Best Use	• Mark the appropriate box. • This entry questions the categorization as the highest and best use of the site as improved or, as proposed and completed, in relation to the neighborhood and current market conditions. • If current use represents the highest and best use, mark "Yes." • If it does not, mark "No" and provide an explanation.
Utilities	• Mark either “Public” or “Other." If “Other" is marked, describe. • Public utilities mean they are governmentally supplied and regulated. Public does not include any community systems sponsored, owned or operated by the developer or a private company not subject to government regulation or financial assistance. • Note if there are mechanical chlorinators or water flow that decreases noticeably while running simultaneous plumbing fixtures. • Visually inspect the septic system and its surrounding area. • If there are obvious or readily observable signs of system failure, “require inspection” to ensure that the system is in proper working order. • If the property is served by a well and/or septic system, the appraiser must indicate whether a public water or sewage disposal system is available to the site. • If available, connection must be made to a public or community water/sewage disposal system if connection costs are reasonable. The mortgagee will determine whether connection is feasible.
Off-site Improvements–Type	• Briefly describe the off-site improvements under “Type,” enter the road surface material, and mark if it is “Public” or “Private.” • For example, “Street-Asphalt; Public,” or “Alley-None;” “Public” refers to an improvement dedicated to and accepted by a unit of government – not including HOAs.
FEMA Special Flood Hazard Area	• The Federal Emergency Management Agency (FEMA) is responsible for mapping flood hazard areas. • If the property is within a Special Flood Hazard Area (SFHA), mark "Yes." • Otherwise, mark “No.” • Attach a copy of the flood map panel for properties located within an identified flood hazard area.
FEMA Flood Zone	• Enter the FEMA Zone designation. • Only properties within SFHAs, such as zones "A," a special flood hazard area, and "V," a coastal area, require flood insurance. • Zones "B" "C" and “X” do not require flood insurance.

Field	Protocol
FEMA Map # and FEMA Map Date	• Enter the FEMA map number and map date. • If it is not shown on any map, enter "Not Mapped."
Are the utilities and off-site improvements typical for the market area?	• Mark the appropriate box indicating whether the utilities and off-site improvements are typical for the market area. • If "No" is marked, describe what is typical.
Any adverse site conditions or external factors?	• Mark the appropriate box indicating whether there are any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.). • If "No" is marked, no comment is necessary; if "Yes" is marked, an explanation is required. • Describe any adverse site conditions or adverse factors. • Consider easements affecting the functional utility of the property in the conclusions of both the highest and best use, and Market Value. • For example, discuss adverse easements, encroachments, slide areas, illegal or non-conforming zoning use, etc. • Consider surface, subsurface and overhead easements. • List any adverse environmental conditions, including hazardous waste, toxic substances and others. • Explain all deficiencies that do not require repair (extreme slope, etc.) and consider them in the opinion of value. • Discuss the observations with direct relationship to value and consider them in the approaches to value.

5. Leasehold Interest/Ground Rent Section

If the property is subject to Ground Rent, the appraiser must include an analysis of the terms of the lease, including the term of lease, renewal options, right of redemption, capitalization rate, date of expiration, etc. The mortgagee is responsible for ensuring that the appraiser has a copy of the deed or lease for analysis and that a copy is included in the loan file. The subject's final value estimate must be adjusted for and reported as its Leasehold value, not the Fee Simple value.

6. Description of Improvements Section

This section describes the subject improvements. Accurately report the conditions observed. Describe needed repairs, or the existence of any functional or external obsolescence. Enter factual information on each of the lines provided and report the conclusions. Consider all aspects of the physical description and reconcile them in the opinion of Market Value.

For descriptions and definitions of Accessory Dwelling Units (ADU) see the Accessory Dwelling Units section in the *4000.1 FHA Single Family Housing Policy Handbook*.

The following table provides instruction for completing the "General Description" portion of the "Improvements" section of the report form.

Field	Protocol
Units	• Mark the appropriate box. • The *URAR* is designed for one-unit dwellings or a one-unit with an accessory unit.
# of Stories	• Enter the number of stories above grade, including half stories. • Format required is Numeric, to 2 decimal places. • Do not include the basement.
Type	• Mark the box that identifies the type of dwelling: "Det." (Detached), "Att." (Attached), "S-Det." (Semi-Detached) or "End Unit" (the end unit of a group of row houses or townhouses).
Stage of Construction	• Mark the box signifying the stage of construction: "Existing," "Proposed" or "Under Construction." • Properties that are either "Proposed" or "Under Construction" require plans, a builder's certification, and specifications for the appraiser to review.
Design (Style)	• Enter a brief description of the house design style using historical or contemporary fashion. • For example: Cape Cod, bi-level, split level, split foyer, colonial, townhouse, row house, etc. • Do not use the builder's model name. • Avoid generic descriptions such as traditional or conventional.
Year Built	• Insert the year the subject was completed. • Format required is YYYY • For under construction or proposed construction Enter Current Year (New FHA Specific Requirement)

Field	Protocol
Effective Age (Yrs.)	• Enter the effective age of the improvements as a number only. Do not enter text. Example: 25 • A range is acceptable. Do not enter text. Example 15-20 • The effective age reflects the condition of the property relative to similar competitive properties. • The effective age may be greater than, less than or equal to the actual age. • Note any significant difference between the actual and effective ages and explain in the "condition of property" comments section.

a. Reporting Requirements for Attic

The appraiser is required to inspect the attic. Enter the attic and observe the interior for insulation, ventilation (fan, vent, or window), and the condition of the roof structure. Note any deficient materials, leaks or readily observable evidence of significant water damage, structural problems, previous fire damage, exposed and frayed wiring, or any other health and safety deficiencies. If any deficiencies exist, condition the appraisal on their repair or inspection and prepare the appraisal as "subject to repairs" and/or "subject to inspection."

The following table provides instruction for completing the "Attic" portion of the "Improvements" section of the report form.

Field	Protocol
None	Enter 'X" if there is no attic.
Drop Stair	Enter "X" if this item exists.
Stairs	Enter "X" if this item exists.
Floor	Enter "X" if this item exists.
Scuttle	Enter "X" if this item exists.
Finished	Enter "X" if this item exists.
Heated	Enter "X" if the attic is heated.

The following table provides instruction for completing the "Foundation" portion of the "Improvements" section of the report form.

Field	Protocol
Concrete Slab	• Mark this box if any part of the foundation system has a concrete slab.
Crawl Space	• Mark this box if any part of the foundation system has a crawl space. Access to the space must be clear. • Examine the crawl space. • Check the distance from the bottom of the floor joists to the ground. • Check to ensure that the space is adequate for maintenance and repair. • Check for insulation and ventilation or for any structural problems. • Check to make sure that the support beams are intact and of structural soundness.
Full Basement	• Mark this box if there is a full basement.
Partial Basement	• Mark this box if there is a partial basement. • If checked “yes”, at least one other foundation type must be checked.
Cellars or Limited Basement Areas	• For a dirt basement floor, determine whether such a property is typical for the area and is readily marketable. • If so, it is not required that a concrete basement floor be installed. • Mechanical equipment, however, must be located on a concrete pad.
Basement Area Sq. Ft	• Enter the square footage of the basement.
Basement Finish %	• Enter the percentage of the basement (figure above) that is finished.
Outside Entry/Exit	• Mark this box only if there is an outside entry/exit, otherwise leave blank. • If there is an entry, verify its functionality.
Sump Pump	• Mark this box only if there is a sump pump, otherwise leave blank.
Evidence of Infestation	• Mark this box if there is evidence of infestation, including the house and/or other Structures within the legal boundaries of the property, otherwise leave blank. • Examine the subject property for readily observable evidence of wood boring insects.

Field	Protocol
Evidence of Dampness	• Mark this box if there is evidence of dampness, otherwise leave blank. • Examine the foundation/basement for dampness or readily observable evidence of water damage. • Signs of past water problems may include efflorescence, mold, mildew or stains on the walls or the mechanical equipment. • The basement or crawl space area must not have excessive dampness or ponding of water. • If any of these inadequacies exist, condition the appraisal as “subject to repairs” to correct the condition, or “subject to inspection” to determine the source of the problem and the corrective measures necessary by a qualified party.
Evidence of Settlement	• Mark this box if there is evidence of settlement, otherwise leave blank. • Examine the foundation for readily observable evidence of settlement. • Hairline step cracks are common, however, horizontal cracks, bulging walls or separation of the sill plate from the top of the foundation wall are critical and require inspection.

b. Mechanical Systems

An appraiser must examine the mechanical, plumbing and electrical systems of the subject property to ensure that they are in proper working order.

The following table provides instruction for completing the “Heating and Cooling” portion of the “Improvements” section of the report form.

Field	Protocol
Heating	• Enter an "X" in the box indicating the type of heating system: "FWA" (forced warm air), "HWBB" (hot water baseboard), "Radiant" or "Other." • If "Other" is marked, provide a brief description, e.g., EBB (for electric baseboard). • Turn on the furnace/heating system to test functionality, weather permitting, and that no unusual noises are heard, no odors or smoke are emitted indicating a defective unit, etc. • Do not operate the systems if doing so may damage the equipment or when outside temperatures will not allow the system to operate. • Note significant holes/deterioration on the unit. • Turn on the hot water to ensure that the water heater is operating appropriately.
Fuel	• Enter the type of fuel used: coal, gas, oil, propane, electric, etc.
Cooling	• Enter an "X" in the box indicating the type of cooling system: "Central Air Conditioning," "Individual" or "Other." • If "Other" is marked, provide a brief description, e.g., permanently affixed fans, zoned air conditioning, etc. • Turn on the air conditioning system to test functionality, weather permitting, and that no unusual noises are heard, no odors or smoke are emitted indicating a defective unit, etc. • DO NOT operate the systems if doing so may damage the equipment or when outside temperatures will not allow the system to operate. • Note significant holes/deterioration on the unit.

c. Exterior Materials/Condition

Enter the types of materials and rate the observed condition of the materials. Describe accurately and explain in detail "lower" ratings and whether or not the item(s) described require repair, replacement or further inspection. The rating must relate to the habitability of the house given local standards. Photographic documentation of property condition is advisable.

The following table provides instruction for completing the "Exterior Materials/Condition" portion of the "Improvements" section of the report form.

Field	Protocol
Foundation Walls	• Enter the material type: poured concrete, block, brick, stone, treated wood, etc., and rate the observed condition.

Field	Protocol
Exterior Walls	• Enter the material type: aluminum, vinyl or wood siding, brick veneer, stucco, stone, etc. • If it is a combination of materials, show the predominant portion first and rate the observed condition.
Roof Surface	• Enter the material type and rate the observed condition. • Note any evidence of deterioration of roofing materials (missing tiles, shingles, flashing). • Deteriorated roofing materials include those that are worn, cupped, or curled. • If the roof is otherwise unobservable, look for telltale signs of roof problems on the interior surfaces, such as damage to or water stains on the walls or ceiling of a room or closet. • Appraisers must note in the report if they could not adequately observe the entire roof area and state which area(s) were unobservable. • Based on the information reported by the appraiser, the underwriter will determine whether a roofing inspection is required.
Gutters and Downspouts	• Enter the material type: galvanized, aluminum, plastic, vinyl, polyvinyl chloride (PVC), etc., and rate the condition observed.
Window Type	• Enter the window type: double hung, single hung, casement, sliders, etc., and identify the window frame material: wood, aluminum, steel, vinyl, etc. • Rate the condition observed. Bedroom windows with security bars require a quick release mechanism for emergency egress. • If not so equipped or inoperable, condition the appraisal on a “required repair.”
Storm Sash/Insulated	• Describe the storm sash material or state if the windows are double glazed, etc., or a combination of the two. • Rate the condition observed. If none, so state.
Screens	• Describe the style (full, half, or none) and rate the condition observed.

d. Amenities/Features

Include a brief description of an amenity, which may include its material type and/or size and/or dimensions.

The following table provides instruction for completing the “Amenities” portion of the “Improvements” section of the report form.

Field	Protocol
Woodstove	• Enter "X" if this amenity exists and provide a specific number.
Fireplace(s)	• Enter "X" if this amenity exists and provide a specific number.
Fence	• Enter "X" if this amenity exists. • Describe the material/type in "Additional features."
Patio/Deck	• Enter "X" if this amenity exists. • Describe the material/type in "Additional features."
Pool	• Enter "X" if this amenity exists. • Describe in "Additional features." • Specify whether it is in-ground or aboveground. • Aboveground pools are considered Personal Property and are not to be included in the value.
Porch	• Enter "X" if this amenity exists. • Describe the material/type in "Additional features."
Other	• Enter "X" if this line is used to report another amenity or salient feature not listed above that has Contributory Value. • Describe "Other" in "Additional features." • Be sure to compare the subject and comparable properties in relation to that amenity or feature and make the appropriate adjustments.

e. Interior Materials/Condition

Enter the types of materials and rate the observed condition of the materials (Good, Average, Fair, or Poor) and whether or not the item(s) described require repair, replacement, or further inspection. Describe and explain in detail "Fair" and "Poor" ratings. The rating must relate to the habitability of the house given local standards.

The following table provides instruction for completing the "Interior Materials/Condition" portion of the "Improvements" section of the report form.

Field	Protocol
Floors	Enter the material type: ceramic tile, tile, hardwood, carpet, etc., and rate the condition observed.
Walls	Enter the material type: plaster drywall, paneled, etc., and rate the condition observed.

Field	Protocol
Trim/Finish	Enter the material type: wood, metal, vinyl, and rate the condition observed.
Bath Floor	Enter the material type: ceramic tile, vinyl, carpet, and rate the condition observed.
Bath Wainscot	Enter the material type that protects the walls from moisture: ceramic tile, fiberglass, etc., and rate the condition observed.

f. Car Storage

Some properties or condominium parking areas have parking spaces or garage spaces that allow cars to be parked "in tandem," i.e. one car is parked in front of the other, but the rear car must be moved to allow access and egress for the interior car. Local market conditions and research will indicate the desirability of this feature. The appraiser must provide an explanation of the feature, the level of market acceptance or preference, and the Contributory Value of the combined space.

The following table provides instruction for completing the "Car Storage" portion of the "Improvements" section of the report form.

Field	Protocol
Car Storage	• If the property does not have a garage, carport or driveway, mark "None."
Driveway # of Cars	• If applicable, mark this box and enter the number of cars that can be parked. Whole numbers only. • A single lane width driveway is considered a one-car driveway. • It would be considered a two car driveway if either car can be moved without disturbing the other.
Driveway Surface	• Enter surface type: concrete, gravel, macadam, etc., if none, so state.
Garage # of Cars	• Enter the number of cars the structure can accommodate. Whole numbers only.
Carport # of Cars	• Enter the number of cars the structure can accommodate. Whole numbers only
Garage/Carport Type	• If there is a garage, designate whether it is "Attached," "Detached" or "Built-in" and enter an "X" in the box(es) indicating the style "Att.," "Det.," or "Built-in."

g. Appliances

Make an entry [X] in the boxes to indicate that these items exist. An entry in a box means that the item was considered part of the real estate and is included in the value.

The following table provides instruction for completing the "Appliances" portion of the "Improvements" section of the report form.

Field	Protocol
Refrigerator	• Enter "X" if this item exists.
Range/Oven	• Enter "X" if this item exists.
Dishwasher	• Enter "X" if this item exists.
Disposal	• Enter "X" if this item exists.
Fan/Hood	• Enter "X" if this item exists.
Microwave	• Enter "X" if this item exists.
Washer/Dryer	• Enter "X" if this item exists.
Other	• Enter "X" for an existing item not listed above and describe. Do not include personal property.

h. Room Count

Room design and count should reflect local market expectations.

To determine whether one or two rooms should be counted, hypothetically insert a wall to separate the two areas that have been built as one; if the residents can use the resulting two rooms with the same or more utility without increased inconvenience, count the room as two.

If the hypothetical wall would result in a lack of utility and increased inconvenience, count the room as one. The room count typically includes a living room (LR), dining room (DR), kitchen (KT), den (DN), recreation room (REC) and one or more bedrooms (BR). Typically, the foyer, bath and laundry room are not counted as rooms. A room is a livable area with a specific use.

The following table provides instruction for completing the "GLA and Room Count" portion of the "Improvements" section of the report form.

Field	Protocol
Finished Area Above Grade Contains Rooms	• To complete this section, enter the total number of above-grade rooms, the total number of bedrooms above grade, and the total number of bathrooms above grade. • Do not include foyers, basement finished rooms or unfinished attic space. • This is the total above-grade room count.
Total Bedroom Count	• The finished area above grade contains ___ bedrooms.
Total Bathroom Count	• The finished area above grade contains ___ bath(s). • The treatment of bathroom counts: numbers separated by a period such as 1.0 or 2.1 or 3.2. • For purposes of this report, in the "Improvements" section, "Finished Rooms Above Grade," the count of bathrooms is represented as the number of "full" bathrooms to the left of the period and the count of "half" bathrooms to the right of the period. • A three-quarter bath is counted as a full bath. • Quarter baths (baths that feature only a toilet) are not included in the bathroom count.
Gross Living Area Square Feet Count	• The square feet of Gross Living Area (GLA) above grade. • Calculate square footage by using exterior dimensions. • Enter the total square footage of the GLA above grade.

i. Narrative Comments Section

The completion of this section is critical to the opinion of Market Value. The appraiser must discuss all adverse conditions and observed physical and functional deficiencies noted. If necessary, use the "Additional Comments" section of the form report, or an addendum, for additional discussion or description.

Appraisers must follow UAD instructions for formatting the first part of this section, and must clearly communicate the observations, analyses, and conclusions.

The following table provides instruction for completing the "Expanded Comments" portion of the "Improvements" section of the report form.

Field	Protocol
Additional Features	• Describe special energy efficient features such as solar energy or geothermal systems and/or further describe the additional features. • Elaborate on any special or unusual aspects of items, e.g., a gas fireplace or wood burning fireplace, 16’ X 32’ in-ground pool, etc.
Condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.)	• Describe any physical deterioration and/or functional or external depreciation noted in or on the property. • Complete UAD requirements: Overall Condition Type, Update within the Last Fifteen Years Indicator, and Improvement Area Type. • Provide a conclusion as to the overall condition of the improvements that is supported by the previous descriptive sections. • List deficiencies and/or lack of compliance with Minimum Property Standards (MPS) or Minimum Property Requirements (MPR). • The reported property condition must be consistent with the reconciled condition of the appraisal. If the appraisal is completed “subject to repair,” the reported condition is the condition of the property “as repaired.”
Physical deficiencies or adverse conditions	• Enter an “X” in the applicable box indicating whether or not there are any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property. • If the response is “No,” no explanation is required or needed. • If the response is “Yes,” an explanation is required and, if necessary, condition the appraisal on the “repair or alteration of the condition” or a “required inspection” by appropriately qualified individuals or entities, which may include professional engineers, tradespersons, or HUD fee inspectors. ○ If the housing was built before 1978, address lead paint hazards and, if any, require correction.
Property conformity	• Enter an “X “in the applicable box indicating whether or not the subject generally conforms to the neighborhood (functional utility, style, condition, use, construction, etc.). • If the response is “Yes,” no explanation is required or needed. • If the response is “No,” an explanation is required.

The following table provides instruction for completing the "Condition Rating" format in the "Expanded Comments" portion of the "Improvements" section of the report form. The UAD format includes a series of defined condition and quality ratings to assist the reader in clearly understanding the appraiser's opinion of the quality and condition of the subject property.

Condition Ratings	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 have no physical depreciation.
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.

7. Sales Comparison Approach Section

a. Comparable Data Pool

The appraiser is required to report the number of comparable properties currently offered for sale, as of the effective date of the appraisal, and the number of comparable sales in the subject neighborhood, within 12 months of the effective date of the appraisal, in this section. Unlike the neighborhood price data, which includes all sales, this section focuses only on those properties that are comparable to the subject, not the universe of sales.

The following table provides instruction for completing the "Sales and Listing" portion of the "Sales Comparison Approach" section of the report form.

Field	Protocol
Comparable properties offered for sale	• Enter the number of comparable properties currently offered for sale, including those under contract, within the subject neighborhood together with the price range.
Comparable sales	• Enter 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.
Number of Comparable Listings	• Comparable Listings Researched Count
Comparable Listings Price Range Low	• Comparable Listings Price Range Low Amount
Comparable Listings Price Range High	• Comparable Listings Price Range High Amount
Number of Comparable Sales	• Comparable Sales Researched Count
Comparable Sales Price Range Low	• Comparable Sales Price Range Low Amount
Comparable Sales Price Range High	• Comparable Sales Price Range High Amount

b. Sales Adjustment Grid

The following table provides instruction for completing the "Property Identification" portion of the "Sales Comparison Approach" section of the report form.

Field	Protocol
Address	• It must conform to *Mailing Standard of the United States Postal Service*, Publication 28 – Postal Addressing Standards. • The following address elements must be included in this field: ○ street number ○ street name (including applicable pre-directional indicator, suffix, and/or post-directional indicator) ○ address unit designator and number (if applicable) ○ city (Postal Address City) ○ USPS two-letter state or territory representation ○ 5-digit ZIP Code or ZIP+4 Code (with or without the dash)
Proximity to Subject	• Enter the proximity in straight-line distance and direction. For example, "1.5 miles NE." If distance from the subject is more than a generally accepted distance, or located outside the defined neighborhood boundaries, be sure to explain why the sale is applicable in the "Summary of Sales Comparison Approach" section.
Sale Price	• Enter the contract price of the subject if applicable. • Enter the purchase price for each of the comparable sales. • If a comparable is an active listing, enter its list price and comment that it is an active listing. • If a comparable is a listing with a contract pending, enter the contract price if known. If not, enter its list price and comment that the price noted is the list price and not the contract price.
Sale Price/ Gross Liv. Area	• Enter the price per square foot for the above-grade living area for the subject, if a purchase transaction, and each comparable sale.
Data Source(s)	• Enter the data source(s) used for sales and property information.
Verification Source(s)	• Enter the verification source(s), the document or party from which the additional proof was obtained. • A Multiple Listing Service (MLS) by itself is not considered a verification source. • Contacting someone with first-hand knowledge of the transaction (agent, broker, buyer, seller, etc.), especially where it involves confirmation of seller concessions, is the preferred method of verification. • A single source may be used if the quality of the data is such that the sales data are confirmed and verified by settled transactions. • The information provided must permit the reader of the report to locate the data from the sources cited. • Do not use, as market data, sales that are not verified and adjusted to reflect the terms and conditions of sale.

c. Factual Data and Value Adjustments in Direct Sales Comparison Grid

Adjustments are made to the price of the comparable properties for price-influencing dissimilarities between each comparable and the subject property. Not all dissimilarities require adjustment because not all dissimilarities achieve price differentials in the market. All adjustments must be extracted from and supported by the actions of the market.

For each adjustment item, enter the description of the adjustment and whether it is an upward or downward adjustment. Do not make an adjustment unless it has a material effect on value.

Adjustments must be reasonable and not excessive.

Ensure that abbreviated descriptions are readily recognizable by the intended users.

The following table shows the individual field descriptions of the sales comparison grid along with the FHA protocol for that section.

Field	Protocol
Sales or Financing Concessions	• Report the type of transaction (see table below). • Report the type of financing (see table below). • Report the type and amount of sales concession for each comparable sale listed. If no concessions exist, the appraiser must note 0. • The appraiser is required to make market-based adjustments to the comparable sales for any sales or financing concessions that may have affected the sales price. • The adjustment for each comparable sale must reflect the difference between the sales price with the Sales Concessions and for what amount the property would have sold under typical market conditions.
Date of Sale/Time	• Enter the date of settlement. UAD formatting may show this as month and year. • Enter the date of contract. UAD formatting may show this a month and year. • Time adjustments, if any, must be supported by the market and be consistent with the neighborhood market conditions noted. • Show both the contract date and the date of settlement. Time adjustments must be calculated using the contract date (meeting of the minds) rather than the date of settlement. Explanation is required for any time adjustments.

Field	Protocol
Location	• See the table below for UAD Externalities Description. • Location adjustments may be warranted for positive or negative factors that influence sales price, such as a busy street versus a quiet street, rather than using the name of the community or subdivision. • Explain any adjustments made in this area. • If the UAD specifications do not sufficiently describe the locations of the subject and comparable sales, use one of the blank lines to provide additional descriptions and corresponding adjustments.
Leasehold/Fee Simple	• State whether the property was sold as Fee Simple or as a Leasehold Estate. • An adjustment is required if the estate differs from the rights appraised for the subject property. • Adjust for difference between the comparable properties and the subject based on Fee Simple versus Ground Rent if applicable. • Adjust for differences between the comparable properties and subject based on differences in terms of Ground Rent if applicable.

Site	• Enter the site size in square feet or acreage.
	  ○ The total size of the entire site/parcel must be entered.
	  ○ No other data may be entered in this field.
	  ○ For sites/parcels that have an area of less than one acre, the size must be reported in square feet (whole numbers only, e.g., 27840 sf).
	  ○ Sites/parcels that have an area of 1.00 acre or greater must be reported in acreage to two decimal places (e.g., 8.35 ac).
	  ○ Format:
	  ▪ If less than one acre: Square feet, whole numbers only;
	  ▪ If 1.00 acre or more: Acres, numeric to two decimal places;
	  ○ Indicate the unit of measure as either 'sf' for square feet or 'ac' for acres as appropriate.
	  ○ Examples: 6400 sf or 3.40 ac
	• Make adjustments only for measurable differences.
	• Small differences in lot sizes may not support a credible adjustment if the sizes of the comparable (s) and the subject are within a typical range.
	• If appropriate, consider the possibility of Excess or Surplus Land and provide appropriate comments.

Field	Protocol
View	• Describe the view from the site, e.g., similar houses, commercial area, water view, scenic view, etc. • See the table below for the UAD view descriptions. • Make adjustments for view if the market recognizes a difference. Provide photographs and explanation to support the adjustment.
Design (Style)	• Enter the style according to a description used by local market expectations. Be consistent with the improvement description.
Quality of Construction	• Enter Q1-Q6 as appropriate, using the quality rating as defined in the UAD Quality Description Table below. • Differences in quality resulting in adjustments must be explained. An explanation must be specific. It is not sufficient to simply state that "adjustments for quality are based on observations" or "based on descriptions provided in MLS." • Adjustments may also be warranted for interior construction quality and if so, they must be explained. For example, the second floor of a one-and a half-story house finished with lower grade materials and finish compared to the first floor.
Actual Age	• Enter only the actual age of the subject and each comparable property. • If the market demonstrates an adjustment strictly for age, apply and explain.
Condition	• Enter C1-C6 as appropriate using the condition rating as defined in the UAD Condition Description Table below. • Differences in condition resulting in adjustments must be explained. The explanation must be specific. It is not sufficient to simply state that "adjustments for condition are based on observations" or "based on descriptions provided in MLS." • If the appraisal is completed "subject to repairs," the subject's condition rating, and corresponding adjustments, must be based on the repairs as completed.

Above-Grade Room Count	• Enter the room count, consistent with the description of improvements on the front of the appraisal form. Up to three adjustments may be entered:
	  o The first line is for bedroom and/or total count differences (if appropriate)
	  o The second line adjustment is for bathroom count differences (if appropriate).
	  o The third is for a difference in GLA (if appropriate).
	• Explain any adjustment to a comparable property in both GLA and room count, bedroom count and/or bathroom count.

<table>
<tr><th>Field</th><th>Protocol</th></tr>
<tr><td>Gross Living Area</td><td>• Enter the total square footage of the above-grade living areas.
• Adjust for market recognized differences where warranted.</td></tr>
<tr><td>Basement & Finished Rooms Below Grade</td><td>• Provide the total square footage of the basement area.
• Total basement area format: square footage, numeric, up to five digits: i.e. 12345.
• The appraisal report must indicate the square footage in whole numbers only, no commas.
• If there is no basement, enter a value of 0.
• Report the finished square footage in whole numbers only, no commas.
• If 0% is finished, a value of 0 must be entered.
• If the appraiser does not have a credible data source for the quantity of finished basement area, enter a 1 for finished area and explain in the addendum.
• Finished square footage format: numeric, to five digits: 12345.
• Enter the type of additional basement access based on the following table:
<table>
<tr><th>Allowable Values</th><th>PDF Display</th></tr>
<tr><td>WalkOut</td><td>wo</td></tr>
<tr><td>WalkUp</td><td>wu</td></tr>
<tr><td>InteriorOnly</td><td>in</td></tr>
</table>
• Explain or address the applicability of the adjustments for differences in basement access. For instance, if no adjustment is made for a walkout basement versus a walk-up basement, provide an explanation.
• Enter the type of rooms below grade: recreation room, bedroom, full bath, half bath.
• Basement room format: numeric, one digit such as 1rr, 1br, 1ba or 1rr, 2br, 1.1 ba, etc.
• Explain any special features or finishes in the “Summary of Sales Comparison Approach” section.
• Because the adjustments for multiple basement characteristics may be combined, it is important to include clear explanations of each adjustment factor or amount.</td></tr>
<tr><td>Functional Utility</td><td>• Enter “Average,” “Superior” or “Inferior” as a total of the items rated in the “Improvement” analysis compared to the subject. Use the “Summary of Sales Comparison Approach” section to explain differences.
• Adjust for functional obsolescence observed in the subject, and not found in the comparable. A floor plan of the subject is required when functional obsolescence is attributable to layout or poor floor plan.</td></tr>
</table>

Field	Protocol
Heating/Cooling	• Enter the type of heating and cooling systems, e.g., "Gas," "FWA," or Central Air Conditioner "CAC." • Any adjustment for differences in heating and cooling systems must be based on market expectations.
Energy Efficient Items	• Describe energy efficient items: storm windows and doors, solar installations, replacement windows, etc., and enter an adjustment for differences if warranted. If none, so state.
Garage/Carport	• Enter a description of the garage/carport. Calculate adjustments in accordance with market acceptance of carport value versus garage and size (one car, two cars, etc.).
Porch/Patio/Deck	• Enter these features for the subject and comparable sales if they exist. Base any adjustments on local market expectations.
Blank Lines	• Three blank lines are provided for the appraiser's use to describe additional amenities, features or individual characteristics not listed or addressed elsewhere in the sales grid, e.g., woodstove, fireplace, fencing, pool or other. • Enter appropriate adjustments. For example, a pool located in an area that expects pools might bring a dollar premium in comparison to a comparable without a pool.
Net Adjusted (Total)	• Mark either the [+] or [-] box to indicate if the total net adjustments will increase or decrease the value and note by how much. • If the adjustment exceeds preferred guidelines, review the comparable properties to determine if the best ones were selected and adjustments were appropriately applied. • If the total adjustments appear disproportionate in relation to the price, the appraiser must reexamine the relevance of that sale and the magnitude of the adjustments.
Adjusted Sale Price of Comparable Properties	• Total all of the adjustments and add them to or subtract them from the sales price of each comparable. Preferred underwriting guidelines indicate that adjustments must not exceed 10% for line items, 15% for net adjustments, and 25% for gross adjustments. • If any adjustments exceed stated guidelines, an explanation must be provided.
Research sale or transfer history of subject & comps	• Enter an "X "in the applicable box indicating whether the appraiser "did" or "did not" research the sale or transfer history of the subject property and comparable sales. If not, provide an explanation. • A property's location in a "non-disclosure state" does not remove the appraiser from the requirement to research, report, and analyze the prior sale history of the subject and comparable properties.
Research prior sales or transfers of subject property	• Enter an "X" in the applicable box indicating whether the appraiser's research "did" or "did not" reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Field	Protocol
Data Source(s)	• Enter the data source(s) used for sales and transfer information. • Appraisers are to be familiar with the data source(s), e.g., how the data is gathered and how often it is updated.
Research prior sales or transfers of comparable sales	• Enter an "X" in the applicable box indicating whether the appraiser's research "did" or "did not" reveal any prior sales or transfers of the comparable sales for the three years prior to the date of sale of the comparable sale per the requirements of the form. (FHA Specific Requirement). • FHA requires the appraiser to report the date(s) and prices of prior sale(s) that occurred within three years of the effective date of the appraisal. (FHA Specific Requirement).
Data Source(s)	• Enter the data source(s) used for sales and transfer information. Two sources are recommended for researching prior sales and transfers: local MLS and local public records at a minimum. • Appraisers must be familiar with the data source(s), e.g., how the data is gathered and how often it is updated.

The following table provides instruction for completing the "Sales Transaction Type" portion of the "Sales Comparison Approach" section of the report form.

Transfer Type	Sales Grid Label	Page 1 Description
REOSale	REO	REO sale
ShortSale	Short	Short sale
CourtOrderedSale	CrtOrd	Court ordered sale
EstateSale	Estate	Estate sale
RelocationSale	Relo	Relocation sale
NonArmsLengthSale	NonArm	Non-arm's length sale
ArmsLengthSale	ArmLth	Arm's length sale
Listing	Listing	Does not apply to subject property.

The following table displays the UAD allowable values for the type of financing along with the related abbreviation, which will be printed on the display PDF of the appraisal report.

Allowable Values	PDF Display
FHA	FHA
VA	VA
Conventional	Conv
Cash	Cash
Seller	Seller
RuralHousing	RH
Other	Explain

The following table displays the UAD allowable values for the type of location along with the related abbreviation, which will be printed on the display PDF of the appraisal report.

Allowable Values	PDF Display
Neutral	N
Beneficial	B
Adverse	A

The following table displays the UAD allowable values for the UAD Externalities Description for location, along with the related abbreviation, which will be printed on the display PDF of the appraisal report.

Allowable Values	PDF Display
Residential	Res
Industrial	Ind
Commercial	Comm
BusyRoad	BsyRd
WaterFront	WtrFr
GolfCourse	GlfCse
AdjacentToPark	AdjPrk
AdjacentToPowerLines	AdjPwr
Landfill	Lndfl
PublicTransportation	PubTrn

Allowable Values	PDF Display
Other	

If an Externalities factor not on the list provided materially affects the value of the property, the appraiser must select "Other" and enter a description of the view associated with the property. Free-form descriptions must be entered carefully because data will be truncated on the appraisal report form if it exceeds available space for that field.

The following table displays the UAD allowable values for the type of Site View along with the related abbreviation, which will be printed on the display PDF of the appraisal report.

Allowable Values	PDF Display
WaterView	Wtr
PastoralView	Pstrl
WoodsView	Woods
ParkView	Prk
GolfCourseView	Glfvw
CityViewSkylineView	CtySky
MountainView	Mtn
ResidentialView	Res
CityStreetView	CtyStr
IndustrialView	Ind
PowerLines	PwrLn
LimitedSight	LtdSght
Other	

If a view factor not on the list provided materially affects the value of the property, the appraiser must select "Other" and enter a description of the view associated with the property. Free-form descriptions must be entered carefully because data will be truncated on the appraisal report form if it exceeds available space for that field.

The following table displays the "UAD Allowable Values" for the Quality of Construction along with the related abbreviation, which will be printed on the display PDF of the appraisal report.

Allowable Values	Definitions of Quality Level Identifiers
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.

Allowable Values	Definitions of Quality Level Identifiers
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.

The following table displays the UAD compliance Condition Rating Code along with the related definition of the level of condition.

Condition Ratings	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.
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.

Condition Ratings	Definitions
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 build 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.

Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings if the dwelling is placed on a 100 percent 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 without adequate maintenance or upkeep).

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 in the “Additional Comments” section or an addendum).

Field	Protocol
Date of Prior Sale/ Transfer	Report the date(s) of prior sale(s) or transfer(s) of the subject that occurred within three years of the effective date of the appraisal.

Field	Protocol
Price of Prior Sale/ Transfer	• Report the price of the prior sale(s) or transfer(s) of the subject that occurred within three years of the effective date of the appraisal. • FHA requires the appraiser to report the date(s) and price(s) of prior sale(s) that occurred within three years of the effective date of the appraisal.
Data Source(s)	Identify the data source(s) used.
Effective Date of Data Source(s)	Enter the date the data was published or updated by the source. For example, the local MLS may update their database multiple times during the week or month whereas property transfers recorded at the local land records office may take six or eight weeks after settlement. The property transfer records may have an effective date that is eight weeks earlier than the appraisal date and the MLS data is within one week of the appraisal date.

The following table provides instruction for completing the “Summary” portion of the “Sales Comparison Approach” section of the report form.

Field	Protocol
Analysis of prior sale or transfer history of subject and comparable properties	• Report the date(s) of prior sale(s) or transfer(s) of the subject that occurred within three years of the effective date of the appraisal. • Report the date(s) of prior sale(s) or transfer(s) of each comparable that occurred within three years of the effective date of the appraisal. (FHA Specific Requirement). • Report prior transfers regardless of conveyance type or consideration amount. If the prior transfer or offering is not relevant to the current transaction or offering, explain why. • For new construction, include any prior transfers of the land as vacant. • If the properties are located in a "non-disclosure state," the appraiser is responsible for reporting the information that is reasonably obtainable. • Report the analysis of prior sale or transfer history of the subject and comparable properties. • The appraiser must evaluate the relevancy of prior transfers to the current sale or offering of the comparable. • The appraiser must describe the difference between recent transfers versus the current sale or offering, and the effect on the appraisal problem. • The appraiser must provide an analysis of the prior sale or transfer history of the subject property and comparable properties in the report. Simply reporting a transaction is not a sufficient analysis or explanation to the reader. • FHA recognizes the limitations of form reports and the UAD format. If multiple prior transactions exist for the same property within three years prior to the effective date of the appraisal, the appraiser must analyze and report those prior transactions.
Summary of Sales Comparison Approach	• Explain the comparable selection and any necessary explanation of the adjustments. • Explain any adjustments exceeding guidelines. • Explain which comparable sale or sales is/are given most weight or consideration, and why. • Explain the thought process used to reconcile the range of adjusted sale prices into a single indication of value. The summary should generally reflect on the degree of comparability of each comparable sale to the subject. This may include discussion of the relative size of gross and net adjustments, date of sale, location, design, or other pertinent characteristics. • The value indicated by the sales comparison approach must be consistent with the appraiser's reasoning.

Field	Protocol
Indicated Value by Sales Comparison Approach	• Enter the Indicated Value.

8. Reconciliation and Conditions of Value Estimate Section

The appraiser must consider all appropriate approaches to value and all information relevant to the subject property and the market conditions in the opinion of Market Value.

If there is insufficient space in the "Reconciliation" section to list and describe any "repairs, alterations or required inspections" noted, then the appraiser is instructed to insert a reference in the "Reconciliation" section, "see Additional Comments section on the next page," and list and describe the items under the heading "Repairs, Alterations, Required Inspections." If necessary, due to space limitations, use an addendum with the same heading.

Field	Protocol
Indicated Value by	• Enter the Indicated Value for each of the approaches to value developed. If the approach was not developed, enter "N/A," "ND," or "Not Dev." for not developed.
Final Reconciliation	• Reconcile the three approaches to value with a brief description of the validity and relative strength of each approach with respect to the appraisal assignment.

a. Conditions of Value Estimate

When...	Then the appraisal should be rendered...
• there are no repairs, alterations or inspection conditions noted by the appraiser; • establishing the adjusted as-is value for a standard 203(k) when the mortgagee requests an appraisal to be recorded on a separate *URAR*; • the property is being recommended for rejection; or • the intended use is for Pre-Foreclosure, Foreclosure, or REO.	"As-is"

When...	Then the appraisal should be rendered...
• the subject is Proposed Construction where construction has not started; • the subject is Under Construction but not yet complete; or • the mortgage type is a standard or limited 203(k).	"Subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed"

• the appraisal involves required repairs or alterations to:
  ○ protect the health and safety of the occupants;
  ○ protect the security of the property;
  ○ correct physical deficiencies or conditions affecting structural integrity;
  ○ complete buyer preference items for new houses;
  ○ complete repairs/improvements noted in the work order or contractor estimates for the limited 203(k); or
  ○ meet FHA MPR.
	"Subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed"

• required inspection(s) are noted by the appraiser.	"Subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair"
• required appraisal conditions.	Enter the required completion, repairs, alterations, or inspections. Detailed explanations of each must be provided in the "Additional Comments" section or the addendum.

More than one box may be marked depending on the assignment and property conditions.

If repairs or alterations are required, the appraiser must indicate the extent of the repairs and note this in the appropriate section of the appraisal, in the "Additional Comments" section, or in an addendum under the heading of "Reconciliation – Required Repairs," listing the repairs noted together with an estimated cost to cure.

The appraiser must indicate the reasoning for any required inspections and note this in the appropriate section of the appraisal, in the "Additional Comments" section, or in an addendum, under the heading of "Reconciliation – Required Inspection," listing the required inspections.

The values "subject to completion per plans and specifications," "subject to the following repairs or alterations," or "subject to the following required inspection" must be consistent with the subject property condition(s) described in the corresponding section of the report.

Section	Instructions
Opinion of Market Value	Enter the opinion of Market Value.
Date of Value	Enter the date when the property was inspected.

9. Additional Comments Section

These comment lines provide additional space for the appraiser to fully describe any item, area or condition where the commentary exceeds the space provided in other sections of the report. It is recommended that any information carried forward to the "Additional Comments" section, or an addendum if needed, follows the sequence of the form with a proper heading identifying said section.

For example, the "Neighborhood Market Conditions" comments exceed the space provided on the form. In that case, on page 1 in "Neighborhood Market Conditions" enter "See additional comments;" in the "Additional Comments" section enter the heading "Neighborhood Market Conditions" and provide the narrative in this section.

Follow the same procedure for any section of the report where commentary exceeds the space provided. This will provide the reader with the proper identification and linkage of additional comments together with a logical flow of information in a standardized reporting format.

10. Cost Approach Section

The cost approach is recognized as a valid method of valuation, and must be properly performed. If the subject property is proposed or new construction, or the cost approach is known in the market area as a valid and useful method of valuation, the appraiser must complete the cost approach. It is not required for every FHA appraisal assignment if the appraiser determines that the cost approach is not necessary for credible assignment results. For more information, see the Cost Approach to Value section in the *4000.1 FHA Single Family Housing Policy Handbook*.

a. Requirements for Remaining Economic Life

State the Remaining Economic Life as a single number or as a range. This line must be completed for every FHA appraisal whether or not the cost approach is completed. An explanation is required if the remaining economic life is less than 30 years.

The following table provides a list of the fields within the "Cost Approach" section of the form along with the related protocol. The appraiser is reminded to provide adequate information for the mortgagee/client to replicate the below cost figures and calculations.

Field	Protocol
Support for opinion of site value	• Provide a description of the method used to estimate the site value. • If the comparable sales were utilized, provide a summary and analysis of the land sales. • If an alternative method of estimating the site value was utilized, such as extraction, allocation, land residual, or Ground Rent capitalization, describe the method utilized and the analysis and support for the conclusion.
Reproduction or Replacement Cost	• Mark the box indicating which cost estimating method was used. • Reproduction Cost – exact duplicate with all deficiencies and obsolescence. • Replacement Cost – cost at current prices with equivalent utility.
Source of Cost Data	• Provide the name of the cost service. • If electronic version, provide the source and date. Upload as an exhibit into the report when available. • If paper version, provide the page numbers of cost tables or factors. The reviewer or reader must be able to replicate.
Quality Rating	• Enter the quality rating of the cost tables or factors referenced.
Effective Date	• Enter the edition and date of latest updates referenced.

Field	Protocol
Comments	• Describe how the physical depreciation was calculated. • Describe the functional or external obsolescence. • Enter the GLA calculations or refer to the property sketch.
Economic Life	• Enter the remaining economic life of improvements (required for all FHA appraisals).
Opinion of Site Value	• Enter the opinion of site value.
Dwelling Sq. Ft. @ $	• Enter the GLA, multiply it by the square foot factor, and enter the result.
Basement Sq. Ft. @ $	• Enter the basement square feet, multiply it by the square foot factor, and enter the result.
Blank Line	• Use this line for lump sum adjustments for plumbing fixtures, dormers, fireplaces, built-in appliances, pools, etc. • Add together and enter the sum.
Garage/Carport Sq. Ft @ $	• Enter the car storage square feet, multiply it by the square foot factor and enter the result.
Total Cost New	• Add the results of the first five lines together and enter the sum.
Less Depreciation	• Enter the amount of the estimated depreciation as a specific dollar amount, a percentage or as a combination of both. • Entries made in either functional or external depreciation require explanation in the "Comments" section. • Add together all forms of depreciation, enter the sum, and deduct this total from the total cost new.
Depreciated Cost	• Enter the difference from the total cost new less depreciation.
"As-is" Value of Site Improvements	• Enter the adjusted as-is value of site improvements.
Blank Line	• Enter the marketing costs here. Also, if applicable, identify and include impact fees.
Indicated Value	• Add together the depreciated cost of improvements, adjusted as-is value of site improvements, marketing expenses and/or impact fees, and enter the total.

11. Income Approach Section

If the market contains sufficient data for this approach to be relevant, then the income approach must be completed. The Gross Rent Multiplier (GRM) factor must be market derived, supported, and applied to the market rent for the subject. For more information, refer to the Income Approach to Value section in the *4000.1 FHA Single Family Housing Policy Handbook*.

Income Approach To Value	
Field	**Protocol**
Estimated Monthly Market Rent	Enter the subject's estimated market rent and multiply it by the GRM (the ratio between sales price and gross monthly Rental Income).
Summary of Income Approach	Provide support for market rent and GRM if developed.
Income Approach	If not developed, leave blank.

If this approach was not developed or included in the report, the appraiser must provide a reason why this approach was not utilized and report whether the lack of this approach adversely affects the credibility of the appraisal.

12. Planned Unit Development Information Section

A PUD is a project that includes common property and improvements owned and maintained by an owners' association for the use and benefit of the individual units in the subdivision. If not applicable, leave blank.

Project Information for PUDs (if applicable)	
Field	**Protocol**
Developer/Builder in Control of HOA	Enter an "X" in the box indicating whether the developer/builder is in control of the HOA.
Unit Type(s)	Enter an "X" in the box indicating the unit type: Detached or Attached.

Provide the following information for PUDs only if the developer is in control of the HOA and the subject property is an attached Dwelling Unit.

The information requested is self-explanatory. Appraisers may choose to answer the last question referencing common elements and recreational facilities in support of a location adjustment regardless of dwelling style.

The following table shows the field and related protocol.

Field	Protocol
Legal name of project	Report the legal name.
Total number of phases	Report the number of phases, if more than one.

Field	Protocol
Total number of units	Report the total number of units in the project.
Total number of units sold	Report the total number of units sold. (This is to identify if the developer was unsuccessful in selling all of the units.)
Total units rented	Report the total units rented if available.
Total units for sale	Report the total number of units listed for sale (include For Sale by Owner).
Data source(s)	Provide source(s) of information, e.g., the HOA board, management company, verification with public records, etc.
Was the project created by the conversion of an existing building(s) into a PUD?	Answer yes or no.
If Yes, date of conversion.	If this was a conversion of existing buildings, then provide the date of conversion.
Does the project contain any multi-dwelling units?	Answer yes or no.
Data source(s)	What is the data source for this?
Are the units, common elements, and recreation facilities complete?	Answer yes or no.
If no, describe the status of completion.	If the project is incomplete or Under Construction, provide a description of what is planned when finished, the current status of construction/completion, rate of progress, etc.
Are the common elements leased to or by the Homeowners' Association?	Answer yes or no.
If yes, describe the rental terms and options.	If the common elements are leased to or by the HOA, describe the rental terms and options.
Describe common elements and recreational facilities.	What are the common elements provided to residents?

C. MANUFACTURED HOME APPRAISAL REPORT

This section provides specific instructions for completing the Fannie Mae Form 1004C/Freddie Mac Form 70B, *Manufactured Home Appraisal Report*. FHA requires that this report be submitted in the MISMO 2.6 Errata 1, which is an XML document with embedded PDF as created by the appraiser.

This report form is designed to report an appraisal of one-unit Manufactured Housing, including a unit in a PUD, based on an interior and exterior inspection of the subject property.

The appraisal reporting requirements for a Manufactured Housing unit under a condominium regime are:

1. Appraisals must be reported on the Fannie Mae Form 1004C/Freddie Mac Form 70B, *Manufactured Home Appraisal Report*.
2. The subject Condominium Project must be inspected and the "Project Information" section of the Fannie Mae Form 1073/Freddie Mac Form 465, *Individual Condominium Unit Appraisal Report*, must be completed and included as an addendum to the appraisal report.
3. Comparable sales must be condominium Manufactured Housing. Detailed explanations must be provided when search parameters are expanded due to the lack of comparable sales in the subject market area.

Appraisers are reminded to pay particular attention to Appraiser's Certifications #8 and #11 of the *Manufactured Home Appraisal Report* and the Competency Rule of USPAP, which address an appraiser's familiarity with a specific property type.

1. Subject Section

This section provides the factual data to identify the property and the parties to the appraisal process. The FHA case number together with the Borrower and/or property information will be supplied by the mortgagee/client who engages the appraiser.

Field	Protocol
FHA Case Number/ Appraiser Additional File Number	Insert the FHA case number at the top of the upper right hand corner to correspond with the XML label /VALUATION_RESPONSE/REPORT/@AppraiserAdditionalFileIdentifier must be formatted as xxx-xxxxxxx • This may also appear in a similar place on the other pages of the report but it is not a strict requirement. • The FHA appraisal may not be transmitted to the mortgagee without a case number. • In most software packages, this is formatted as an additional file number.

Field	Protocol

Property Address	• It must conform to the *Mailing Standards of the United States Postal Service*, Publication 28 – Postal Addressing Standards. The following address elements must be included in this field:
	  ○ street number
	  ○ street name (including applicable pre-directional indicator, suffix, and/or post-directional indicator)
	  ○ address unit designator and number (if applicable)
	• This data is referenced more than once on the form and must be represented consistently.
	• If the property's legal location is different from the property's mailing address (for instance, the property is located in a different municipality or in an unincorporated area) explain this in the appraisal report.

Borrower	• Enter the name of the Borrower.
Owner of Public Record	• Mark the appropriate box indicating whether the seller is the owner of public record. • The appraiser is instructed to contact the mortgagee/client if the seller is someone other than the owner of record, as the property may not be eligible for FHA financing if it involves Property Flipping (resale in less than 90 Days). • The mortgagee will make a determination for any exceptions to FHA's Property Flipping rule and advise the appraiser. • Report where the information was obtained.
County	• Enter the name of the county in which the property is located. • It further provides locational parameters. • If not applicable, enter "N/A."
Legal Description	• Enter the legal description of the property. • The four types of legal descriptions are: lot and block system, geodetic survey, government survey system, and metes and bounds description. • If the space provided is insufficient, enter this information with the "Legal Description" in the "Additional Comments" section of the form or attach this information as an addendum.
Assessor's Parcel #	• Enter the parcel number assigned by the local tax assessor. • For those areas that do not have an assessor's parcel number, enter the tax identification number.
Tax Year	• Enter the current tax year used by the locale, e.g., the fiscal year or the actual year.

Field	Protocol
R.E. Taxes $	• Enter the dollar amount of the annual real estate taxes, including all relevant taxes (school district tax, fire district tax, etc.). • Manufactured Housing must be taxed as real estate to be eligible for Title II FHA insurance.
Neighborhood Name	• Enter the name of the subdivision, if applicable, or the commonly known local neighborhood designation. • If the subject property is in a PUD or Manufactured Housing park, provide the name of the development.
Map Reference	• Enter the location map reference, page number and coordinates, from the source used. • This reference must relate to the location maps most commonly used in the locale.
Census Tract	• Enter the census tract number. • The census tract number must be provided. • Census tract numbers have four digits and may have a two digit decimal suffix. • Where the basic census tract number is less than four digits, the Census Bureau includes leading zeroes except when displaying numbers on maps or printed reports. • To uniquely identify a census tract, a two-digit state code and three-digit county code precede the four-or six-digit census tract number. • The Census Bureau has an Internet resource guide for locating census information. It can be found at www.census.gov.

Occupant	• Mark the box signifying the occupancy status at the time of the appraisal.
	• If vacant, the appraiser must note, in the "Improvements" section under "condition of the property," whether the utilities were on or off at the time of the appraisal.
	• With the exception of HUD REO properties, if the utilities were not turned on:
	  ○ condition the appraisal on a satisfactory re-inspection; and
	  ○ state that the utility was off at the time of the appraisal, and include an extraordinary assumption that the mechanical equipment does not require alteration, repair or further inspection once the utilities are restored.

Special Assessments $	• Report the dollar amount of special assessments for the subject property, if any, and provide a brief explanation for the assessment. Special assessments can include municipal bond debt for off-site improvements. Larger than typical special assessments may affect marketability. If not applicable, enter "N/A."
PUD	• Check the box if the house is located in a PUD.

Field	Protocol
HOA $	• Enter the dollar amount of the HOA fee and mark the box indicating if the fees are paid "per year" or "per month."
Property Rights Appraised	• Mark the appropriate box indicating the property rights appraised for the subject property as of the date of the appraisal. • "Other" includes Land Trust.
Assignment Type	• Mark the appropriate box indicating the assignment type.
Lender/Client	• Enter the name of the mortgagee/client that ordered and will receive the appraisal report. • The intended use of the appraisal is solely to assist FHA in assessing the risk of the property securing the FHA-insured mortgage (24 CFR 200.145(b)). FHA and the Mortgagee are the intended users of the appraisal report. The FHA Appraiser does not guarantee that the property is free from defects. The appraisal establishes the value of the property for mortgage insurance purposes only.
Currently offered for sale or offered for sale in last 12 months	• The appraiser's certification states in part, "I have researched, verified, analyzed and reported on any current agreement of sale of the subject property, any offering for sale of the subject property in the twelve months prior to the effect date of the appraisal…" • Mark the appropriate box indicating whether the subject is currently offered for sale or has been offered for sale in the 12-month period prior to the effective date of the appraisal. • If there are multiple actions, report each instance. • Research may reveal an expired or withdrawn listing. • The prior listing may provide a good indication of the upper limit of value.
Report data source(s) used, offering price(s), and date(s)	• Complete this field regardless of whether the property is currently offered for sale or has been for sale in the 12 months preceding the date of the appraisal. • Identify the source(s) used, and price(s) and date(s) of current or prior listings.

2. Contract Section

This section must be completed when the appraisal assignment involves a purchase transaction; otherwise enter "N/A" for not applicable. FHA requires that the appraiser be provided with a complete copy of the ratified sales contract, including all addenda, for the subject property. It provides the agreed-on contract price (accepted offer), date of sale, and all financial terms implicit in the offer. If unable to obtain this information, the appraiser is to state what efforts were made to obtain it.

Field	Protocol
Analyze Contract of Sale	• Explain the results of the analysis (terms and conditions) of the contract of sale, or why the analysis was not performed. • The analysis may include a reference to the number of pages contained in the contract for sale provided. • The analysis must include a description of any non-realty items included in the contract. • If purchaser name in contract does not match borrower name provided by the lender, include a comment.
Contract Price $	• Enter the final, agreed upon contract price for the purchase transaction. • If the manufactured home is new construction, does the contract price include all delivery, installation and setup costs?
Date of Contract	• Enter the date of the contract. • This is the date when all parties have agreed to the terms of, and signed the contract.
Is the property seller the owner of public record?	• Mark the appropriate box indicating whether the seller is the owner of public record. • The appraiser is instructed to contact the mortgagee/client if the seller is someone other than the owner of record. • The property may not be eligible for FHA financing if it involves Property Flipping (resale in less than 90 Days). • The mortgagee will make a determination for any exceptions to FHA's Property Flipping rule and advise the appraiser.
Data Source(s)	• Report where the information was obtained.
Sales Concessions Downpayment Assistance	• Mark the appropriate box indicating whether or not there is any financial assistance (loan charges, Sales Concessions, gift or downpayment assistance, etc.) paid by any party on behalf of the Borrower. • If necessary, use the "Additional Comments" section of the appraisal reporting form or an addendum, and enter the heading "Sales Concessions," completing the description. • If yes, the appraiser is to report the total dollar amount and describe the items to be paid. • If the sale involves Personal Property (e.g., an aboveground pool, lawn mower, furniture, etc.) it must be identified and excluded from the valuation.
Manufacturer's Invoice	• This applies only to new construction (initial sale from manufacturer). • Mark the appropriate box and explain the results of the analysis (terms and conditions) of the manufacturer's invoice or why the analysis was not performed. • If the invoice is not available, the appraiser is to note the unavailability.

Field	Protocol
Retailer's Name	• Applies only to new construction (initial sale from manufacturer). • Provide name of retailer or distributor who sold unit.

3. Neighborhood Section

This section reflects the area surrounding the subject property. The appraiser must observe neighborhood characteristics and surrounding properties to make determinations that will be incorporated into the valuation of the subject property. In all instances, the appraiser must mark the appropriate box for each line in the "Neighborhood Characteristics" and "Housing Trends" sections. Failure to note conditions that may adversely affect the value of the property violates the USPAP.

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

Neighborhood Characteristics	
Field	**Protocol**

Location	• Enter the type of area surrounding the subject property:
	  ○ urban – relates to a city
	  ○ suburban – relates to an area adjacent to a city
	  ○ rural – relates to the country or beyond the suburban area

Built-Up	• Enter the built-up percentage – the percentage of available land that has been improved. • Land such as a state park would not be considered available land.
Growth	• Enter the growth rate. • If many lots are available, the growth rate may be rapid, stable or slow, but if the neighborhood is fully developed, select the "Stable" box.

Manufactured Housing Trends	
Field	**Protocol**
Property Values	• Mark the box describing the current trend in the As-Is Property Values for Manufactured Housing in the community. • Comparing Manufactured Housing units that have been sold and resold in recent years is an effective way to determine market trends. • Appraisers who use this method, however, must factor in any improvements or changes made to the property between sales. • If the subject property is one of few manufactured homes in the neighborhood, indicate this scarcity in "Market Conditions," identify the most predominant housing type within the neighborhood, and address trends in value for that identified type.
Demand/Supply	• Mark the appropriate demand/supply trend. To determine the equilibrium status of supply and demand in the neighborhood, compare the number of houses sold to the number of houses listed for sale in a recent time period. The similarity or difference between the number of houses sold and listed, not the absolute numbers, must determine the demand/supply level. • If the subject property is one of a few manufactured homes in the neighborhood, indicate this scarcity under "Market Conditions," identify the most predominant housing type within the neighborhood, and address trends in demand/supply for that identified type.
Marketing Time	• Mark the appropriate marketing time – the typical length of time a property most similar to the subject property would have to stay on the market before being sold at a price near its Market Value.
Price/Age	• Indicate the low and high neighborhood prices and ages as well as the predominant value and age of manufactured housing. The high and low for both price and age must exclude the extreme. If the subject property is one of few manufactured houses in the neighborhood, indicate this paucity under "Market Conditions," identify the most predominant housing type/style within the neighborhood, and address prices and ages for that identified type.

Present Land Use %	
One Unit, Two- to Four-Unit, Multi-Family, Commercial, Other	• Estimate each type of land usage in the neighborhood. • If there is no land in the neighborhood with one of the designated classifications, enter 0. • If a portion of the land consists of parks or other unspecified classifications, enter the estimated percentages on the "Other" line and explain in the "Neighborhood Description" section.

a. Neighborhood Boundaries

The appraiser must clearly define the boundaries – north, south, east and west – of the subject's neighborhood. Providing a description of neighborhood boundaries by physical features such as streets, rail lines, other man-made barriers, or well-defined natural barriers (e.g., rivers, lakes, etc.) details the makeup and understanding regarding neighborhood composition.

Neighborhood Narrative	
Neighborhood Description	• Discuss factors that would attract residents or cause them to reject the neighborhood. These are typical factors important to discuss: ○ level of maintenance and condition of housing ○ housing styles, ages, sizes, etc. ○ land uses ○ proximity to employment and amenities, including travel distance and time to local employment sources and community amenities ○ employment stability, in terms of variety of employment opportunities and industries ○ overall appeal of the neighborhood, as compared to competitive neighborhoods in the same market ○ convenience to shopping, with respect to distance, time and required means of transportation ○ convenience to schools, in terms of the distance and time for travel to school
Market Conditions (including support for the above conclusions)	• Provide relevant information in support of the conclusions relating to trends in the As-Is Property Values, demand/supply and marketing time. • Provide a description of the prevalence and impact of sales and financing concessions and/or downpayment assistance in the subject's market area. • Other areas of discussion may include Days on Market, list to sale price ratios, and/or financing availability.

4. Site Section

This information provides the description of the land underlying the subject property. Insert factual information on each of the lines provided and report the conclusions as directed. Consider all aspects of the physical description and reconcile them in the opinion of Market Value. This section of the appraisal requires the appraiser to consider any adverse site conditions or adverse external factors that may affect value.

Field	Protocol
Dimensions	• List all dimensions of the site beginning with the frontage. If the shape of the site is irregular, show the boundary dimensions (85' X 150' X 195' X 250'), or attach a property survey, site plan or plat, or legal description with the comment, "see attached." • Do not list the site area on the "Dimensions" line.
Area	• Enter the site area in square feet if less than one acre, or acres if one acre or more. • This entry must be consistent with the dimensions provided in the "Dimensions" field.
Shape	• Describe the shape of the site, e.g., triangular, square, rectangular, irregular, or flag lot.
View	• Briefly describe the view from the property (None or N/A is not an acceptable response). • Identify a view with a significant positive or negative influence on the value. • Photographs are required for any negative or positive view influences affecting value or marketability.
Specific Zoning Classification	• Enter the specific zoning classification used by the local municipality or jurisdiction, e.g., R-MH. R-1. • If no zoning exists, enter "None Exists."
Zoning Description	• Describe what the specific classification means. Include a general statement describing what the zoning permits. For example, R-MH = Residential-Manufactured Housing; and R-1 = SF Residential. • If "None exists," describe the prevalent use of sites in the neighborhood.
Zoning Compliance	• Determine whether the current use complies with the zoning ordinances. • Mark whether it is "Legal," "Legal Non-Conforming" (Grandfathered Use), "No Zoning," or "Illegal Use." • If the existing property does not comply with all of the current zoning regulations (use, lot size, improvement size, off-street parking, etc.) but is accepted by the local zoning authority, enter "Legal Non-Conforming," provide a brief explanation, and state whether the property may legally be rebuilt if destroyed. • If the use is not legal, the property is not eligible for FHA mortgage insurance.

Field	Protocol
Highest and Best Use	• Mark the appropriate box. This entry represents the highest and best use of the site, as improved, in relation to the neighborhood and current market conditions. • If the current use represents the highest and best use, mark “Yes.” • If it does not, mark “No” and provide a detailed explanation.
Utilities	• Mark either “Public” or “Other." If “Other" is marked, describe. Public utilities mean governmentally supplied and regulated. Public does not include any community systems sponsored, owned or operated by the developer or a private company not subject to government regulation or financial assistance. • Note if there are mechanical chlorinators or water flow that decreases noticeably while running simultaneous plumbing fixtures. • Visually inspect the septic system and its surrounding area. If there are obvious or readily observable signs of system failure, “require inspection” to ensure that the system is in proper working order. • Note: The appraiser must indicate whether a public water or sewage disposal system is available to the site. If available, connection must be made to the public or community water/sewage disposal system if connection costs are reasonable. The mortgagee will determine whether connection is feasible.
Off-site Improvements–Type	• Briefly describe the off-site improvements under “Type” and mark “Public” or “Private.” For example: “Street-Asphalt – Public,” or “Alley – None.” • Public refers to an improvement dedicated to and accepted by a unit of government – not including HOAs.
FEMA Special Flood Hazard Area	• FEMA is responsible for mapping flood hazard areas. If the property is within an SFHA, mark “Yes.” Otherwise, mark “No.” • Attach a copy of the flood map panel for properties located within an identified flood hazard area.
FEMA Flood Zone	• Enter the FEMA Zone designation. • Only properties within SFHAs, such as zones “A” (a special flood hazard area) and “V” (a coastal area) require flood insurance. Zones “B” “C” and “X” do not require flood insurance.
FEMA Map # and FEMA Map Date	• Enter the FEMA map number and map date. • If it is not shown on any map, enter “Not Mapped.”

Field	Protocol
Are utilities and off-site improvements typical for the market area?	• Mark the appropriate box indicating whether the utilities and off-site improvements are typical for the market area. • If "No" is marked, explain why the utilities and/or off-site improvements are not typical.
Are site size, shape and topography conforming?	• Mark the appropriate box indicating whether the site size, shape and topography are generally conforming to and acceptable in the market area. • If "No" is marked, explain why, and its impact on value and/or marketability.
Vehicular access	• Mark the appropriate box indicating whether there is adequate vehicular access to the subject property. • If "No" is marked, provide an explanation.
Street maintenance	• Mark the appropriate box indicating whether the street is properly maintained. • If "No" is marked, describe the condition of the street, lack of an all-weather surface and/or adequacy maintenance.
Any adverse site conditions or external factors?	• Mark the appropriate box indicating whether there are any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.). • If "No" is marked, no comment is necessary; if "Yes" is marked, a detailed explanation is required. • Describe any adverse site conditions or adverse factors. • Consider easements affecting the functional utility of the property in the conclusions of both the highest and best use, and Market Value. For example, discuss adverse easements, encroachments, slide areas, illegal or non-conforming zoning use, etc. • Consider surface, subsurface and overhead easements. • List any adverse environmental conditions, including hazardous wastes, toxic substances and others. • Explain all deficiencies that do not require repair (extreme slope, etc.) and consider them in the opinion of value. • Discuss the observations with direct relationship to value and consider them in the approaches to value.

5. Leasehold Interest/Ground Rent Section

If the property is subject to Ground Rent, the appraiser must include an analysis of the terms of the lease, including the term of lease, renewal options, right of redemption, capitalization rate, date of expiration, etc. The mortgagee is responsible for ensuring that the appraiser has a copy of the deed or lease for analysis, and that a copy is included in the loan file.

The heating/cooling certification and insulation maps may be on the data plate, or they may be in separate documentation provided with the house. The data plate is not required to include the heating and cooling certification. Manufacturers and in-plant inspection agencies are not required to maintain the heating and cooling certification information.

Field	Protocol
HUD Data Plate	• Mark the appropriate box to indicate if the data plate is attached. • If the data plate is missing and/or the appraiser is unable to locate it, the appraiser only needs to report this fact and is not required to secure the data plate information from another source.
Certification Label (aka HUD Seal)	• If unable to locate the HUD certification label (HUD seal), the appraiser must report this in the appraisal.
Manufacturer's Serial # or VIN #	• Enter the manufacturer's serial number or VIN #, which can be found on the HUD data plate. If the data plate is missing, the serial number is stamped on the foremost cross member of the supporting frame of the hitch end of the manufactured home.
HUD Certification Label #(s)	• Enter the label numbers for each section.
Manufacturer's Name, Trade/Model, and Date of Manufacture	• Provide the manufacturer's name, model name of the subject unit and date of manufacturer from the HUD data plate.
Wind, Roof Load and Thermal Zones	• The HUD data plate contains wind, roof load and thermal zone maps, which designate the zone for which the house was constructed. Mark the appropriate box. • Mark the appropriate box indicating whether the subject meets zone requirements for its location. • Mark "No" if the zone map indicates the manufactured home was constructed for a geographic area different from where the home is located. The appraiser should note and highlight this discrepancy. • Mark "No" if the data plate is missing. The appraiser must note the data plate missing, and is unable to determine compliance with wind, roof load and thermal zones requirements.

6. Improvements Section

This section describes the subject improvements. Accurately report the conditions observed. Describe needed repairs, or the existence of any functional or external obsolescence. Enter factual information on each of the lines provided and report the conclusions. Consider all aspects of the physical description and reconcile them in the opinion of Market Value.

General Description	
Field	**Protocol**
Units/Additions	Mark the appropriate box. The *Manufactured Home Appraisal Report* is designed solely for the valuation of a one-unit Manufactured House. The appraiser is to indicate if the original manufactured home (as delivered and installed) to the site has been altered or added on to by marking the box for additions.
# of Stories	Enter the number of stories above grade, including half stories. Format required is Numeric, to 2 decimal places. Do not include the basement.
Design (Style)	Enter a brief description of the house design style using historical or contemporary fashion. For example: Cape Cod, bi-level, split level, split foyer, colonial, town house, etc. Do not use the builder's model name. Avoid generic descriptions such as traditional or conventional.
# of Sections	Mark the appropriate box denoting the number of sections. Mark “Other” if the subject is made up of four or more sections.
Type	Mark the box that identifies the type of dwelling: "Det." (Detached); “Att.” (Attached); "S-Det.” (Semi-Detached); or “End Unit” (the end unit of a group of row houses or townhouses).
Stage of Construction	Mark the box signifying the stage of construction: “Existing;” “Proposed;” or “New Construction” (new construction would only apply to the foundation).
Year Built	Insert the year the subject was completed. Format required is YYYY For under construction or proposed construction Enter Current Year (New FHA Specific Requirement)
Effective Age (Yrs.)	Enter the effective age of the improvements as a number only. Do not enter text. Example: 25 A range is acceptable. Do not enter text. Example 15-20 The effective age reflects the condition of the property relative to similar competitive properties. The effective age may be greater than, less than or equal to the actual age. Note any significant difference between the actual and effective ages and explain in the “Condition of Property” comments section.

a. Reporting Requirements for Attic

The appraiser is required to inspect the attic. Enter the attic and observe the interior for insulation, ventilation (fan, vent, window), and the condition of the roof structure. Note any deficient materials, leaks or readily observable evidence of significant water damage, structural problems, previous fire damage, exposed and frayed wiring, or any other health and safety deficiencies. If any deficiencies exist, condition the appraisal on their repair or inspection, and prepare the appraisal "subject to repairs" and/or "subject to inspection."

An inspection performed in accordance with these guidelines is visual and is not technically exhaustive. These guidelines are applicable to buildings with four or less Dwelling Units and their related property improvements.

Field	Protocol
None	Enter 'X" if there is no attic.
Drop Stair	Enter "X" if this item exists.
Stairs	Enter "X" if this item exists.
Floor	Enter "X" if this item exists.
Scuttle	Enter "X" if this item exists.
Finished	Enter "X" if this item exists.
Heated	Enter "X" if the attic is heated.

b. Foundation

The appraiser is required to inspect the foundation and basement. The appraiser must address all visible deficiencies and may require a recommendation for an inspection. Consider deferred maintenance and physical deterioration in the valuation process.

c. Basement

Generally, basements may be partially or completely below grade (ground level). Do not count the basement in the finished GLA at the grade level. The information provided must be consistent with the description in the "Foundation" section.

Foundation	
Field	**Protocol**
Poured Concrete	• Mark this box if any part of the foundation system has a concrete slab.
Concrete Runners	• Mark this box if any part of the foundation system has concrete runners upon which the manufactured home rests in some fashion.
Block & Pier	• Mark this box if the manufactured home is supported by concrete/masonry blocks constructed on freestanding piers or by a continuous perimeter enclosure.
Other-Att. Description	• Mark this box if the foundation supporting the manufactured home does not fall under the above types and describe the foundation supporting the manufactured home.
Full Basement	• Mark this box if there is a full basement.
Partial Basement	• Mark this box if there is a partial basement. • If checked “yes”, at least one other foundation type must be checked
Cellars or Limited Basement Areas	• For a dirt basement floor, determine whether such a property is typical for the area and is readily marketable. • If so, it is not required that a concrete basement floor be installed. • Mechanical equipment, however, must be located on a concrete pad.
Basement Area Sq. Ft	• Enter the square footage of the basement area using exterior dimensions.
Basement Finish %	• Enter the percentage of basement (figure above) that is finished.
Outside Entry/Exit	• Mark this box only if there is an outside entry/exit, otherwise leave blank. • If there is an entry, verify its functionality.
Sump Pump	• Mark this box only if there is a sump pump, otherwise leave blank.
Evidence of Infestation	• Mark this box if there is evidence of infestation, including the house and/or other Structures within the legal boundaries of the property, otherwise leave blank. • Examine the subject property for readily observable evidence of wood boring insects. • Do not require a pest inspection based solely on the age of a property. Inspections are necessary whenever there is evidence of decay, pest infestation, suspicious damage or when it is customary to the area or required by state law.

Foundation	
Field	**Protocol**
Evidence of Dampness	• Basement or crawl space area must not have excessive dampness or ponding of water. • If any of these inadequacies exist, condition the appraisal "subject to repairs" to correct the condition, or "subject to inspection" to determine the source of the problem and the corrective measures necessary by a qualified party.
Evidence of Settlement	• Mark this box if there is evidence of settlement, otherwise leave blank. • Examine the foundation for readily observable evidence of settlement. • Hairline step cracks are common; however, horizontal cracks, bulging walls or separation of the sill plate from the top of the foundation wall are critical and require inspection.

d. Mechanical Systems

An appraiser must examine the mechanical, plumbing and electrical systems of the subject property to ensure that they are in proper working order. This examination entails turning on the applicable systems and observing their performance. Electrical, plumbing and/or heating/cooling certifications may be called for by the appraiser who cannot determine if one or all of these systems are working properly. An appraiser should not arbitrarily call for such certifications. However, they are still responsible for checking on the adequacy of these systems at the time of appraisal.

Heating and Cooling Systems	
Field	**Protocol**
Heating	• Enter an "X" in the box indicating the type of heating system: "FWA" (forced warm air), "HWBB" (hot water baseboard), "Radiant" or "Other." If "Other" is marked, provide a brief description, e.g., EBB (for electric baseboard). • Turn on the furnace/heating system to test its functionality, weather permitting, and that no unusual noises are heard, no odors or smoke are emitted indicating a defective unit, etc. However, do not operate the systems if doing so may damage equipment or when outside temperatures will not allow the system to operate. • Note significant holes/deterioration on the unit. • Determine whether there is an installed heat or cool air source in each room by using the system's normal operating controls. It is not necessary to observe the uniformity of heat or cool air to various rooms. • Turn on the hot water to ensure that the water heater is operating appropriately.

Heating and Cooling Systems	
Field	**Protocol**
Fuel	• Enter the type of fuel used: coal, gas, oil, propane, electric, etc.
Cooling	• Enter an "X" in the box indicating the type of cooling system: "Central Air Conditioning," "Individual" or "Other." If "Other" is marked, provide a brief description, e.g., permanently affixed fans, zoned air-conditioning, etc. • Turn on the air conditioning system to test its functionality, weather permitting, and that no unusual noises are heard, no odors or smoke are emitted indicating a defective unit, etc. However, do not operate the systems if doing so may damage equipment or when outside temperatures will not allow the system to operate. • Note significant holes/deterioration on the unit.

e. Exterior Materials and Condition

Enter the types of materials and rate the observed condition of the materials (Good, Average, Fair, and Poor). Describe and explain in detail "Fair" and "Poor" ratings and whether or not the item(s) described require repair, replacement or further inspection. The rating must relate to the habitability of the house given local standards (photographic documentation of property condition is always advisable).

Exterior Description: Materials/Condition	
Field	**Protocol**
Skirting	• If the manufactured house features skirting placed between the bottom of the home and the grade of the supporting ground, indicate the material type of the skirting. • The crawl space must be properly enclosed (if it is a crawl area with no basement) with a continuous perimeter enclosure of a permanent foundation-type construction, i.e., poured concrete, block, brick, stone, treated wood, etc. • Report the type and materials and rate the observed condition. • If the manufactured home has a crawl space and lacks a continuous perimeter enclosure of a permanent nature, note this absence and condition the appraisal for installation. • Note whether the enclosed crawl area has adequate access and ventilation.
Exterior Walls	• Enter the material type: i.e. aluminum; vinyl or wood siding, brick veneer, stucco, stone, etc. • If a combination of materials, show the predominant portion first and rate the observed condition.

Exterior Description: Materials/Condition	
Field	**Protocol**
Roof Surface	• Enter the material type and rate the observed condition. View the roof from the ground level to determine if the integrity of the roof is sufficient. • Observe roof coverings, roof drainage systems, flashing, skylights, or chimneys for readily observable evidence of leakage or abnormal condensation on building components. • Note any evidence of deterioration of roofing materials (missing tiles, shingles, flashing). Deteriorated roofing materials include those that are worn, cupped, or curled. • If the roof is otherwise unobservable, look for telltale signs of roof problems on the interior, such as damage to or water stains on the ceiling area of a room or closet. • Appraisers must note in the appraisal that they could not adequately observe the entire roof area (state which area(s) were unobservable). Based on the information reported by the appraiser, the underwriter will determine whether a roofing inspection is required.
Gutters and Downspouts	• Enter the material type: galvanized, aluminum, plastic, vinyl, PVC, etc., and rate the condition observed.
Window Type	• Enter the window type: double hung, single hung, casement, sliders, etc., and identify the window frame material: wood, aluminum, steel, vinyl, etc. Rate the condition observed. • Bedroom windows with security bars require a quick release mechanism for emergency egress. If not so equipped, condition the appraisal on a “required repair.”
Storm Sash/ Insulated	• Describe the storm sash material or state if the windows are double glazed, etc., or a combination of the two. Rate the condition observed. If none, so state.
Screens	• Describe the style (full, half, none), and rate the condition observed.
Doors	• Describe the exterior doors (type and material, i.e., wood, metal, fiberglass, etc.).

A brief description of an amenity may include its material type and/or size and/or dimensions.

Amenities	
Field	**Protocol**
Woodstove #	• Enter “X” if this amenity exists and provide a specific number.
Fireplace(s) #	• Enter “X” if this amenity exists and provide a specific number.

Amenities	
Field	**Protocol**
Fence	• Enter "X" if this amenity exists. Describe the material/type in "Additional Features."
Patio/Deck	• Enter "X" if this amenity exists. Describe the material/type in "Additional Features."
Porch	• Enter "X" if this amenity exists. Describe the material/type in "Additional Features."
Pool	• Enter "X" if this amenity exists. Describe it in "Additional Features." Specify whether it is in-ground or aboveground. • Aboveground pools are considered Personal Property and are not to be included in the value.
Other	• Enter "X" if this line is used to report another amenity or salient feature not listed above that has Contributory Value. Describe "Other" in "Additional Features." • Be sure to compare the comparable sales to the subject in relation to that amenity or feature and make the appropriate adjustments.

f. Interior Materials and Condition

Enter the types of materials and rate the observed condition of the materials ("Good," "Average," "Fair," or "Poor") and whether or not the item(s) described require repair, replacement or further inspection. Describe and explain in detail "Fair" and "Poor" ratings. The rating must relate to the habitability of the house given local standards.

Field	Protocol
Floors	• Enter the material type: tile, hardwood, carpet, etc., and rate the condition observed.
Walls	• Enter the material type: plaster, drywall, paneled, etc., and rate the condition observed.
Trim/Finish	• Enter the material type: wood, metal, vinyl, etc., and rate the condition observed.
Bath Floor	• Enter the material type: ceramic tile, vinyl, carpet, etc., and rate the condition observed.
Bath Wainscot	• Enter the material type that protects the walls from moisture: ceramic tile, fiberglass, etc., and rate the condition observed.

g. Car Storage

Field	Protocol
None	• If the property does not have a garage, carport or driveway, mark "None."
Driveway # of Cars	• If applicable, mark this box and enter the number of cars that can be parked. Whole numbers only • A single-lane driveway is considered a one-car driveway. • It would be considered a two-car driveway if either car can be moved without disturbing the other.
Driveway Surface	• Enter the surface type: concrete, gravel, macadam, etc.; if none so state.
Garage # of Cars	• Enter the number of cars the structure can accommodate. Whole numbers only
Carport # of Cars	• Enter the number of cars the structure can accommodate. Whole numbers only
Garage/Carport Type	• If there is a garage, designate whether it is "Attached," "Detached" or "Built-in" and enter an "X" in the box(es) indicating the style "Att.," "Det." or "Built-in."

h. Appliances

Make an entry [X] in the boxes to indicate that these items exist. An entry in a box means that the item was considered part of the real estate and is included in the value.

Field	Protocol
Refrigerator	Enter "X" if this item exists.
Range/Oven	Enter "X" if this item exists.
Dishwasher	Enter "X" if this item exists.
Disposal	Enter "X" if this item exists.
Fan/Hood	Enter "X" if this item exists.
Microwave	Enter "X" if this item exists.
Washer/Dryer	Enter "X" if this item exists.
Other	Enter "X" for an existing item not listed above and describe. Do not include personalty.

i. Room Count and Gross Living Area

To be eligible for FHA financing, Manufactured Housing must have a GLA of no less than 400 square feet. If smaller, the appraiser must stop work and contact the mortgagee.

Room design and count should reflect local market expectations. To determine whether one or two rooms should be counted, hypothetically insert a wall to separate the two areas that have been built as one; if the residents can use the resulting two rooms with the same or more utility without increased inconvenience, count the room as two. If the hypothetical wall would result in a lack of utility and increased inconvenience, count the room as one.

The room count typically includes a living room (LR), dining room (DR), kitchen (KT), den (DN), recreation room (REC) and one or more bedrooms (BR). Typically, the foyer, bath and laundry room are not counted as rooms. A room is a livable area with a specific use.

Field	Protocol
Finished area above grade contains	• To complete this section, enter the total number of above-grade rooms, the total number of bedrooms above grade, and the total number of bathrooms above grade. • Do not include foyers, basement finished rooms or unfinished attic space. • Enter the total square footage of the GLA above grade.

j. Narrative Comments

The completion of this section is critical to supporting the opinion of Market Value. The appraiser must discuss all adverse conditions and observed physical and functional deficiencies noted. If necessary, use the “Additional Comments” section of the form report, or an addendum, for additional discussion or description.

Field	Protocol
Additions or Modifications	• Describe any additions or modifications made to the manufactured home since its initial placement on the site. • Structural additions or modifications may put the home at risk if changes were not properly performed. • If the appraiser observes structural changes to the original home, an inspection by the state administrative agency, which inspects manufactured homes for compliance, must be required. • If there is no state agency to inspect existing homes for compliance to the Manufactured Home Construction and Safety Standards (MHCSS), HUD will accept certification from a state licensed structural or civil engineer that the structural integrity of the manufactured home has not been compromised; otherwise, the manufactured home is unacceptable and may be ineligible for FHA insurance.
Installer's Name Date Installed Model Year	• If available, indicate the name of the person or company that installed the manufactured home, the date of installation and the model year of the manufactured home. If information is not readily available, the appraiser is to note such.
Permanent Foundation System	• Mark the applicable box. • To be eligible for an FHA-insured financing, the design of the permanent foundation must comply with FHA criteria as evidenced by an engineer's certification verifying such compliance. • The appraiser must indicate if a copy of the required engineer's certification of compliance of the design of the permanent foundation was provided.
Removal of towing hitch, or running gear	• Mark the appropriate box. The appraiser must inspect the underside of the manufactured home and determine if the towing hitch or running gear (wheels and axles) have been removed. • If not removed, or unable to determine due to lack of access, the manufactured home is not eligible for FHA-insured financing and the mortgagee must be notified.
Utility Connections	• Mark the appropriate box indicating whether the manufactured home is permanently connected to public water and sewer or well, septic, and other utilities. • If "No" is marked, the manufactured house is not eligible for FHA-insured financing and the appraiser must notify the mortgagee.

Field	Protocol
Gross Living Area Acceptable to Market	• Mark the appropriate box indicating whether the living area of the manufactured home is in concert with market expectations for overall living size, room size and layout. • If "No" is marked, an explanation is required. The analysis must demonstrate that the property is still readily marketable and factor this deficiency in the opinion of value. • If the GLA of the manufactured home is less than 400 square feet, the property is not eligible for FHA-insured financing and the appraiser must notify the mortgagee.
Additional Features	• Use this space to describe special energy efficient features such as solar energy or geothermal systems and/or to further describe the additional features. • Please elaborate on any special or unusual aspects of items, e.g., a gas fireplace or wood burning fireplace, 16' X 32' in-ground pool, etc.
Rate Quality of Construction	• Rate the quality of construction of the manufactured homes by marking the appropriate box and identify the cost service used. • Report the source of the rating determination, e.g., nationally published cost services, with the date of publication and page number. If it is an electronic or "online" service, report the source and date/time of retrieval.
Condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.)	• Describe any physical deterioration and/or functional or external depreciation noted at the property. • Provide a conclusion as to the overall condition of the improvements that is supported by the previous descriptive sections. • Describe needed repairs. • FHA requires appraiser to list deficiencies and/or lack of compliance with MPS or MPR. • The reported property condition must be consistent with the reconciled condition of the appraisal. If the appraisal is completed subject to repair, the reported condition is the condition of the property "as repaired."

Field	Protocol
Physical deficiencies or adverse conditions	• Enter an "X" in the applicable box indicating whether or not there are any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property. • If the response is "No," no explanation is required or needed. • If the response is "Yes," a full and detailed explanation is required and, if necessary, condition the appraisal on the "repair or alteration of the condition" or a "required inspection" by appropriately qualified individuals or entities, which may include professional engineers, tradespersons, or HUD fee inspectors. **Lead-Based Paint Hazard** • If the manufactured home was built before 1978, this may indicate a lead paint hazard. For all FHA-insured properties correction is required to all defective paint in or on Structures and/or property improvements built before January 1, 1978 in accordance with 24 CFR Part 35. • Observe all interior and exterior surfaces such as walls, stairs, deck porch, railing, windows or doors for defective (chipping, flaking or peeling) paint. (Exterior surfaces include surfaces on fences, detached garages, storage sheds and other outbuildings and appurtenant structures). • Note any areas affected (be specific), provide photographs, and condition the appraisal on repair.
Property Conformity	• Enter an "X "in the applicable box indicating whether or not the subject generally conforms to the neighborhood (functional utility, style, condition, use, construction, etc.). • If the response is "Yes," no explanation is required or needed. • If the response is "No," an explanation is required.

7. Cost Approach Section

The appraiser is only required to complete the cost approach if the manufactured home is new construction (initial sale from manufacturer). If the manufactured home is over one year old and the retailer's invoice, stating the retail purchase price of the home, is available, a copy of the invoice must be appended to the appraisal report. If the manufactured home is New Construction Less than One Year Old but the title has been re-conveyed after the initial sale, or if the manufactured home is over a year old, the cost approach is not required. For cost estimates, the appraiser must rely upon a nationally published cost service such as the *National Automobile Dealers Association* (*N.A.D.A.) Manufactured Housing Appraisal Guide*, the *Marshall & Swift Residential Cost Handbook* or other published data.

If the manufactured home is new construction (an initial sale from manufacturer) and the retail purchase price of the home, including delivery, installation and set-up costs, is available, the appraiser may rely upon the retail purchase price and exclude reliance upon a cost service. An opinion of value of the supporting site is still required. A copy of the invoice stating the retail purchase price and all delivery, installation and set-up costs must be appended to the appraisal report. The validity and reliability of the value of the manufactured home and property derived by the cost approach must be discussed in the "Reconciliation" section.

State the "Remaining Economic Life" as a single number or as a range. This line must be completed whether or not the cost approach is completed. An explanation is required if the remaining economic life is less than 30 years.

a. Cost Approach to Value

An appraiser must provide adequate information for the mortgagee/client to replicate the below cost figures and calculations.

Field	Protocol
Support for opinion of site value	• Provide a description of the method used to estimate the site value. • If the comparable sales were utilized, provide a summary and analysis of the land sales. • If an alternative method of estimating the site value was utilized, such as extraction, allocation, land residual, or Ground Rent capitalization, describe the method utilized and the analysis and support for the conclusion.

Reproduction or Replacement Cost	• Mark the box indicating which cost estimating method was used.
	  ○ Reproduction Cost – exact duplicate with all deficiencies and obsolescence
	  ○ Replacement Cost – cost at current prices with equivalent utility

Source of Cost Data	• Provide the name of the cost service and reference page numbers of cost tables or factors. The reviewer or reader must be able to replicate the appraiser's work. • If the retail purchase price is available, append a copy of the retail purchase price invoice, including all delivery, installation and set-up costs, to the appraisal report.
Effective Date of Cost Data	• Enter the edition and date of the latest updates referenced.
Quality Rating	• Enter the quality rating of the manufactured home derived from the cost service.
Opinion of Site Value	• Enter the "Opinion of Site Value" based on the recent comparable land sales provided above.

Cost Approach using *Marshall & Swift*	
Field	**Protocol**
Section (width) Marshall & Swift	• Determine how many sections (singlewide = one section, doublewide = two sections, etc.) make up the subject manufactured home. • Based upon the selected quality rating of the manufactured home, choose the corresponding page of square foot costs for that quality rating. • Compute the GLA for the home (width multiplied by length) and multiply by the appropriate rate per square foot from the square foot costs table. • Make any square foot or lump sum adjustments to reflect the value of items of the home that are above and beyond those detailed basic description for the selected quality square foot costs.
Subtotal	• Enter the total of the selected quality rating per square foot times the GLA and any square foot and lump sum adjustments.
Cost Multiplier	• Enter the appropriate cost multiplier factor, if applicable.
Modified Cost Multiplier Subtotal	• Multiply the “Cost Multiplier” times the subtotal of the square foot cost new and enter the result.
Physical Depreciation or Condition Modifier	• If applicable, enter the amount of estimated depreciation as a specific dollar amount.
Functional Obsolescence	• Enter the amount of estimated depreciation as a specific dollar amount. • Provide an explanation in the “Comments” section if functional obsolescence is present and adjusted.
External Obsolescence	• Enter the amount of estimated depreciation as a specific dollar amount. • Provide an explanation in the “Comments” section if external obsolescence present and adjusted.
Depreciated Modified Subtotal (not shown on Fannie Mae Form 1004C/Freddie Mac Form 70B form)	• Add the total estimated physical, functional and external depreciation and subtract from the amount entered for “Modified Cost Multiplier Subtotal.”

Cost Approach using *Marshall & Swift*	
Field	**Protocol**
Delivery, Installation and Setup	• If applicable, enter the delivery, installation and set-up costs and add to the cost new. • Note: Marshall & Swift includes delivery, installation and set-up cost in the square foot.
Other Depreciated Site Improvements	• Enter the depreciated value of the site improvements.
Market Value of Subject Site	• Enter the site value (as required above).
Indicated Value by the Cost Approach	• Add any additional delivery, installation and set-up costs from above together with the depreciated value of the site improvements and the Market Value of the supporting site for a final indication of the value by the cost approach.
Economic Life	• State the "Remaining Economic Life" as a single number or as a range.
NOTE:	• To properly employ the Marshall & Swift Cost Guide, follow the Marshall & Swift instructions.

Cost Approach using *N.A.D.A. Appraisal Guide*	
Field	**Protocol**
Exterior Dimensions	• Determine the length and width of the subject manufactured home.
N.A.D.A Data Identification	• Enter the edition month(s) and year of the *N.A.D.A Manufactured Housing Appraisal Guide*.
MH State	• Enter the state in which the manufactured home is located.
Region	• Based upon the state in which the manufactured home is located, and using the Regional Code Map of the *N.A.D.A Guide*, enter the appropriate region.
Size	• Enter the exterior length and width of the manufactured home.
Gray Pages	• Using the region code in the Gray Pages section of the *N.A.DA. Guide*, find the Trade Name of the home. This will provide a page number.
White Pages Section (lists homes by manufacturer, model/trade name and by regional location)	• Using the page number located in the Gray Pages section, go to that page number in the White Pages Section, Part 1 of the *N.A.D.A. Guide*, locate the Trade Name and find the page number listed for the Manufacturer's Name, Model Name for the listed width, and the Region Code.

Cost Approach using *N.A.D.A. Appraisal Guide*	
Field	**Protocol**
Yellow Pages (not listed in 1004C Cost Chart; provides current depreciated replacement value)	• Using the page number located in the White Pages section, go to that page number in the Value Chart found in the Yellow Pages Section of the *N.A.D.A. Guide*, and, using the length and width of the subject manufactured home determine the base retail book value.
Black SVS Pg.	• Use the Black Pages SVS (Supplemental Value Section) section of the *N.A.D.A. Guide* when the home is not listed in the Gray or White Pages section.
Green Section (not listed in 1004C Cost Chart; provides older home conversion chart, condition modifier, accessory values, etc.)	• Use the Green Pages section of the *N.A.D.A. Guide* for older homes, to adjust for condition and to add for components and accessories not addressed in the Yellow Pages Section.
Indicated Value by the Cost Approach	• Add the value of the supporting site to the final, modified value of the manufactured home for the final indication of value.
Economic Life	• State the "Remaining Economic Life" as a single number or as a range.
NOTE:	• To properly employ the *N.A.D.A. Appraisal Guide*, follow the N.A.D.A. instructions.

8. Sales Comparison Approach Section

The appraiser is required to report the number of comparable properties currently offered for sale, as of the effective date of the appraisal, and the number of comparable sales in the subject neighborhood, within 12 months of the effective date of the appraisal, in this section. Unlike the neighborhood price data, which includes all sales, this section focuses only on those properties that are comparable to the subject, not the universe of sales.

Field	**Protocol**
Comparable properties offered for sale	• Enter the number of comparable properties currently offered for sale, including those under contract, within the subject neighborhood together with the price range.
Comparable Sales	• Enter 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.

Enter factual data in each field or line.

Field	Protocol
Address	• Enter the address that can be used to locate each property. • Enter the community, if needed, to identify the property. • For rural properties, list the location by road name, nearest intersection and side road.
Proximity to Subject	• Enter the proximity in straight-line distance and direction. For example, "1.5 miles NE" or “3 blocks south.” • If the distance from the subject is more than a generally accepted distance, or located outside the defined neighborhood boundaries, be sure to explain why the sale is applicable in the “Summary of Sales Comparison Approach” section.
Sale Price	• Enter the contract price of the subject if applicable. • Enter the purchase price for each of the comparable sales. • If a comparable is an active listing, enter its list price and comment that it is an active listing. • If a comparable is a listing with a contract pending, enter the contract price if known. If not known, enter its list price and comment that the price noted is the list price and not the contract price.
Sale Price/ Gross Liv. Area	• Enter the price per square foot for the above-grade living area for the subject, if a purchase transaction, and each comparable sale.
Manufactured Home	• Indicate whether the comparable sale is manufactured housing. At least two of the comparable sale properties must be manufactured housing.
Data Source(s)	• Enter the data source(s) used for sales and property information.
Verification Source(s)	• Enter the verification source(s) - the document or organization from which the additional proof was obtained. • Contacting someone with first-hand knowledge of the transaction (agent, broker, buyer, seller, etc.) especially where it involves confirmation of seller concessions is the preferred method of verification. • A single source may be used if the quality of data is such that the sales data are confirmed and verified by settled transactions. • The information provided must permit the reader of the report to locate the data from the sources cited.

a. Adjustments to Comparable Properties

Adjustments are made to the prices of the sale properties for price-influencing dissimilarities between each sale and the subject property. Not all dissimilarities require adjustment because not all dissimilarities achieve price differentials in the market. All adjustments must be extracted from the market and supported by the actions of the market.

For each adjustment item, enter the description of the adjustment and whether it is an upward or downward adjustment. Do not make an adjustment unless it has a material effect on value.

Adjustments must be reasonable and not excessive.

Value Adjustments	
Field	**Protocol**
Sales or Financing Concessions	• Report the type of financing, such as conventional, FHA or VA, etc. • Report the type and amount of sales concession for each comparable sale listed. If no concessions exist, the appraiser must note “None.” • The appraiser is required to make market-based adjustments to the comparable sales for any sales or financing concessions that may have affected the sales price. • Report the adjustment for such affected comparable sales difference between the sales price with the Sales Concessions and what the property would have sold for under typical market conditions.
Date of Sale/Time	• Enter the date of settlement. Formatting may show this as month and year. • Enter the date of contract. Formatting may show this as month and year. • Time adjustments, if any, must be supported by the market and consistent with the neighborhood market conditions noted. • Show both the contract date and the date of settlement. Time adjustments must be calculated using the contract date (meeting of the minds) rather than the date of settlement. An explanation is required for any time adjustments.

Value Adjustments	
Field	**Protocol**
Location	• Location adjustments may be warranted for positive or negative factors that influence sales price, such as a busy street versus a quiet street, rather than using the name of the community or subdivision. • Explain any adjustments made in this area. • If the space provided does not sufficiently describe the locations of the subject and comparable sales, use one of the blank lines to provide additional descriptions and corresponding adjustments.
Leasehold/Fee Simple	• State whether the property was sold as Fee Simple or as a Leasehold Estate. • An adjustment is required if the estate differs from the rights appraised for the subject property. • Adjust for difference between the comparable properties and the subject based on Fee Simple versus Ground Rent if applicable. • Adjust for differences between the comparable properties and the subject based on differences in terms of Ground Rent if applicable.
Site	• Enter the site size. Make adjustments only for measurable differences. Small differences in lot sizes do not usually call for an adjustment if the size is typical. • If necessary, consider the possibility of Excess or Surplus Land.
View	• Describe the view from the site, e.g., similar housing, commercial area, water view, scenic view, etc. • Make adjustments for view if the market recognizes a difference. Provide photographs and explanation to support the adjustment.
Design (Style)	• Enter the style according to a description used by local market expectations. Be consistent with the improvement description.
Quality of Construction	• Enter “Good,” “Average,” “Fair,” etc. using the quality rating from the appropriate cost service subscription or provider. • Differences in quality resulting in adjustments must be explained. An explanation must be specific. It is not sufficient to simply state that “adjustments for quality are based on observations” or “based on descriptions provided in MLS.” • Adjustments may also be warranted for interior construction quality and must be explained.
Actual Age	• Enter only the actual age of the subject and each comparable property.

Value Adjustments	
Field	**Protocol**
Condition	• Enter the condition of the subject and comparable sales. • The only ratings to be used are "New," "Good," "Average," "Fair" and "Poor." • Differences in condition resulting in adjustments must be explained. The explanation must be specific. It is not sufficient to simply state that "adjustments for condition are based on observations" or "based on descriptions provided in MLS." • If the appraisal is completed "subject to repairs," the subject's condition rating and corresponding adjustments must be based on the repairs as completed.

Above Grade Room Count	• Enter the room count, consistent with the description of improvements on the front of the appraisal form. Up to three adjustments may be entered:
	  o The first line is for bedroom and/or room count differences (if appropriate).
	  o The second line adjustment is for bathroom count differences (if appropriate).
	  o The third is for a difference in GLA (if appropriate).
	• Explain any adjustment to a comparable property in both GLA and room count, bedroom count and/or bathroom count.

Gross Living Area	• Enter the total square footage of the above-grade living areas.
Basement & Finished Rooms Below Grade	• Provide total square footage of the basement area and/or enter the percentage of the basement in relation to the first floor area. • Enter the type of rooms below grade: bedroom, recreation room, laundry, full bath, etc. • If the appraiser does not have a credible data source for the amount of finished basement area, enter a 1 for the finished area and explain in the addendum. • Explain or address the applicability of adjustments for differences in basement access. For instance, if no adjustment is made for a walkout basement versus a walk-up basement, provide an explanation. • Explain any special features or finishes in the "Summary of Sales Comparison Approach" section. • Because adjustments for multiple basement characteristics may be combined, it is important to include clear explanations of each adjustment factor or amount.

Value Adjustments	
Field	**Protocol**
Functional Utility	• Enter "Equal," "Superior," or "Inferior" as a total of the items rated in the improvement analysis compared to the subject. Use the "Summary of Sales Comparison Approach" section to explain differences. • Adjust for functional obsolescence observed in the subject, recorded on page 1, and not found in the comparable properties. • The floor plan of the subject is required when functional obsolescence is attributable to layout or poor floor plan.
Heating/Cooling	• Enter the type of heating and cooling systems, e.g., "Gas," "FWA," or "CAC." • Any adjustment for differences in heating and cooling systems must be based on market expectations.
Energy Efficient Items	• Describe energy efficient items: storm windows and doors, solar installations, replacement windows, etc., and enter an adjustment for differences if warranted. If none, so state.
Garage/Carport	• Enter a description of the garage/carport used as car storage. Calculate adjustments in accordance with market acceptance of carport value versus garage and size (one car, two cars, etc.).
Porch/Patio/Deck	• Enter these features for the subject and comparable properties if they exist. Base any adjustments on local market expectations.
Blank Lines	• Three blank lines are provided for the appraiser's use to describe additional amenities, features or individual characteristics not listed or addressed elsewhere in the sales grid, e.g., a woodstove, fireplace, fencing, pool or other. • Enter appropriate adjustments. For example, a pool located in an area that expects pools might bring a dollar premium in comparison to a comparable without a pool.
Net Adjusted (Total)	• Mark either the [+] or [-] box to indicate if the total net adjustments will increase or decrease the value and note by how much. • If the adjustment exceeds preferred guidelines, review the comparable properties to determine if the best ones were selected and adjustments were appropriately applied. If the total adjustments appear disproportionate in relation to the price, the appraiser must reexamine the relevance of that sale and the magnitude of the adjustments.

Value Adjustments	
Field	**Protocol**
Adjusted Sale Price of Comparable Properties	• Total all of the adjustments and add them to or subtract them from the sales price of each comparable. Preferred underwriting guidelines indicate that adjustments should not exceed 10% for line items, 15% for net adjustments and 25% for gross adjustments in an active market. • If any adjustments exceed these guidelines, an explanation must be provided.
Research sale or transfer history of subject & comps	• Enter an "X "in the applicable box indicating whether the appraiser "did" or "did not" research the sale or transfer history of the subject property and comparable sales. If not, provide an explanation.
Prior sales or transfers of subject property	• Enter an "X" in the applicable box indicating whether the appraiser's research "did" or "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)	• Enter the data source(s) used for sales and transfer information. • Appraisers are to be familiar with the data source(s), e.g., how the data is gathered and how often it is updated, the publication date of the data, and the effective date of the data.
Prior sales or transfers of comparable sales	• Enter an "X" in the applicable box indicating whether the appraiser's research "did" or "did not" reveal any prior sales or transfers of the comparable sales for the three years prior to the date of sale of the comparable sale per the requirements of the form. • FHA requires the appraiser to report the date(s) and price(s) of prior sale(s) that occurred within three years of the effective date of the appraisal. (FHA Specific Requirement).
Data Source(s)	• Enter the data source(s) used for sales and transfer information. Two sources are recommended for researching prior sales and transfers: local MLS and local public records, at a minimum. • Appraisers must be familiar with the data source(s), e.g., how the data is gathered and how often it is updated.

b. Reporting Prior Sales

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 in the "Additional Comments" section or an addendum).

Field	Protocol
Date of Prior Sale/Transfer	• Report the date(s) of prior sale(s) or transfer(s) of the subject that occurred within three years of the effective date of the appraisal.
Price of Prior Sale/ Transfer	• Report the price of the prior sale(s) or transfer(s) of the subject that occurred within three years of the effective date of the appraisal. • FHA requires the appraiser to report the date(s) and price(s) of prior sale(s) that occurred within three years of the effective date of the appraisal.
Data Source(s)	• Enter the data source(s) used.
Effective Date of Data Source(s)	• Enter the date the data was published or updated by the source. • For example, the local MLS may update their database multiple times during the week or month whereas property transfers at the local land records office may take six or eight weeks to be recorded.

Narrative Comments	
Field	**Protocol**
Analysis of prior sale or transfer history of subject and comparable sales	• Report the date(s) of prior sale(s) or transfer(s) of each comparable that occurred within three years of the effective date of the appraisal. (FHA Specific Requirement). • Report prior transfers regardless of conveyance type or consideration amount. If the prior transfer or offering is not relevant to the current transaction or offering, explain why. • For new construction, include any prior transfers of the land as vacant. • If the properties are located in a “non-disclosure state,” the appraiser is responsible for reporting the information that is reasonably obtainable. • Report the analysis of prior sale or transfer history of the subject and comparable properties. • The appraiser must evaluate the relevancy of prior transfers to the current sale or offering of the comparable. • The appraiser must describe the difference between recent transfers versus the current sale or offering, and the effect on the appraisal problem. • The appraiser must provide an analysis of the prior sale or transfer history of the subject property and comparable properties in the report. Simply reporting a transaction is not a sufficient analysis or explanation to the reader.

Narrative Comments	
Field	**Protocol**
	• FHA recognizes the limitations of form reports and the UAD format. If multiple prior transactions exist for the same property within three years prior to the effective date of the appraisal, the appraiser must analyze and report those prior transactions.
Summary of Sales Comparison Approach	• Explain the comparable selection and any necessary explanation of adjustments. • Explain any adjustments exceeding guidelines. • Explain which comparable sale or sales is/are given the most weight or consideration and why. • Explain the thought process used to reconcile the range of adjusted sale prices into a single indication of value. The summary must generally reflect on the degree of comparability of each comparable sale to the subject. This may include discussion of the relative size of gross and net adjustments, date of sale, location, design, or other pertinent characteristics. • The value indicated by the sales comparison approach must be consistent with the appraiser's reasoning.
Indicated Value by Sales Comparison Approach	• Enter the "Indicated Value."

9. Reconciliation and Conditions of Appraisal Section

The appraiser must consider all appropriate approaches to value and all information relevant to the subject property and the market conditions in the opinion of Market Value.

If there is insufficient space in the "Reconciliation" section to list and describe the valuation conditions noted, then the appraiser is instructed to insert a reference in the "Reconciliation" section, "see Additional Comments section on the next page," and list and describe the items under the heading "Required Repairs/Inspections." If necessary, due to space limitations use an addendum with the same heading.

Field	Protocol
Indicated Value by:	• Enter the indicated value for each of the approaches to value developed. • If the approach was not developed, enter "ND or "Not Dev." for not developed. • Reconcile the three approaches to value with a brief description of the validity of each approach with respect to the appraisal assignment.

a. Conditions of Value Estimate

When...	Then the appraisal should be rendered...
• there is/are no repair(s), alteration(s) or inspection conditions noted by the appraiser; • establishing the As-is value for a 203(k); • the property is being recommended for rejection; • the intended use is for Pre-Foreclosure Sale (PFS) in accordance with 24 CFR 203.370 or Claims Without Conveyance of Title (CWCOT) @ 24 CFR 203.368; or • the intended use is for Pre-Foreclosure, Foreclosure, or REO.	"As-is"
• the subject is Proposed Construction where construction has not started; • the subject is Under Construction but not yet complete (less than 90%); or • the mortgage type is a standard or limited 203(k).	"Subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed"

When...	Then the appraisal should be rendered...
• the repair or alteration condition(s) noted by the appraiser to: ○ protect the health and safety of the occupants; ○ protect the security of the property; ○ correct physical deficiencies or conditions affecting structural integrity; • certain Section 203(k) Rehabilitation Mortgages depending on scope of work; • Under Construction, more than 90% complete with only minor finish work remaining (buyer) preference items e.g., floor coverings, appliances, fixtures, landscaping, etc.). This eliminates the need for plans and specifications.	"Subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed"
• required inspection(s) are noted by the appraiser.	"Subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair"
• required appraisal conditions.	Enter the required completion, repairs, alterations, or inspections. Detailed explanations of each must be provided in the "Additional Comments" section or the addendum.

More than one box may be marked depending on the assignment and property conditions.

If repairs or alterations are required, the appraiser must indicate the extent of the repairs and note this in the appropriate section of the appraisal, the "Additional Comments" section, or in an addendum under the heading of "Reconciliation – Required Repairs," listing the repairs noted together with an estimated cost to cure.

The appraiser must indicate the reasoning for any required inspections and note this in the appropriate section of the appraisal, the "Additional Comments" section, or in an addendum under the heading of "Reconciliation – Required Inspection," listing the required inspections.

The value "subject to completion per plans and specifications," "subject to the following repairs or alterations," or "subject to the following required inspection" must be consistent with the subject property condition(s) described in the corresponding section of the report.

Section	Instructions
Opinion of Market Value	Enter the opinion of Market Value.
Final Reconciliation	Reconcile the three approaches to value with a brief description of the validity and relative strength of each approach with respect to the appraisal assignment.
Date of Value	Enter the date when the property was inspected.

10. Additional Comments Section

These comment lines provide additional space for the appraiser to fully describe any item, area or condition where the commentary exceeds the space provided in other sections of the report. It is recommended that any information carried forward to the "Additional Comments" section, or an addendum if needed, follow the sequence of the form with a proper heading identifying said section.

For example, the "Neighborhood Market Conditions" comments exceed the space provided on the form. In that case, on page 1 in "Neighborhood Market Conditions" enter "See additional comments;" in the "Additional Comments" section enter the heading "Neighborhood Market Conditions" and provide the narrative in this section.

Follow the same procedure for any section of the report where commentary exceeds the space provided. This will provide the reader with the proper identification and linkage of additional comments together with a logical flow of information in a standardized reporting format.

11. Income Approach Section

If the market contains sufficient data for this approach to be relevant, then the income approach must be completed. The GRM factor must be market derived, supported, and applied to the market rent for the subject.

Refer to the Income Approach to Value section in the *4000.1 FHA Single Family Housing Policy Handbook*.

Income Approach To Value	
Field	**Protocol**
Estimated Monthly Market Rent	Enter the subject's estimated market rent and multiply it by the GRM (the ratio between the sales price and the gross monthly Rental Income).
Summary of Income Approach	Provide support for the market rent and GRM if developed.
Income Approach	If not developed, leave blank.

If this approach was not developed or included in the report, the appraiser must provide a reason why this approach was not utilized and report whether the lack of this approach adversely affects the credibility of the appraisal.

12. Planned Unit Development Information Section

A PUD is a project that includes common property and improvements owned and maintained by an owners' association for the use and benefit of the individual units in the subdivision. If not applicable, leave blank.

Project Information for PUDs (if applicable)	
Field	**Protocol**
Developer/Builder in Control of HOA	Enter an "X" in the box indicating whether the developer/builder is in control of the HOA.
Unit Type(s)	Enter an "X" in the box indicating unit type, "Detached" or "Attached."

Provide the following information for PUDs only if the developer is in control of the HOA and the subject property is an attached Dwelling Unit.

The information requested is self-explanatory. Appraisers may choose to answer the last question referencing common elements and recreational facilities in support of a location adjustment regardless of dwelling style.

Field	Protocol
Legal name of project	Report the legal name.
Total number of phases	Report the number of phases, if more than one.
Total number of units	Report the total number of units in the project.
Total number of units sold	Report the total number of units sold. (This is to identify if the developer was unsuccessful in selling all of the units.)
Total units rented	Report the total units rented if available.
Total units for sale	Report the total number of units listed for sale (include For Sale by Owner).
Data source(s)	Provide source(s) of information, e.g., the HOA board, management company, verification with public records, etc.
Was the project created by the conversion of an existing building(s) into a PUD?	Answer yes or no.
If Yes, date of conversion.	If this was a conversion of existing buildings, then provide the date of conversion.
Does the project contain any multi-dwelling units?	Answer yes or no.
Data source(s)	What is the data source for this?
Are the units, common elements, and recreation facilities complete?	Answer yes or no.
If no, describe the status of completion.	If the project is incomplete or Under Construction, provide a description of what is planned when finished, the current status of construction/completion, rate of progress, etc.
Are the common elements leased to or by the Homeowners' Association?	Answer yes or no.
If yes, describe the rental terms and options.	If the common elements are leased to or by the HOA, describe the rental terms and options.
Describe common elements and recreational facilities.	What are the common elements provided to residents?

D. INDIVIDUAL CONDOMINIUM UNIT APPRAISAL REPORT

This section provides specific instructions for completing the Fannie Mae Form 1073/Freddie Mac Form 465, *Individual Condominium Unit Appraisal Report*. FHA requires that this report be submitted in the MISMO 2.6 GSE format, which is an XML document with embedded PDF as created by the appraiser.

This report form is designed to report an appraisal of a unit in a Condominium Project or a condominium unit in a PUD based on an interior and exterior inspection of the subject property. This form is not designed to report an appraisal of Manufactured Housing or a unit in a cooperative project.

The appraisal reporting requirements for a Manufactured Housing unit under a condominium regime are:

1. Appraisals must be reported on the Fannie Mae Form 1004C/Freddie Mac Form 70B, *Manufactured Home Appraisal Report*.
2. The subject Condominium Project must be inspected and the "Project Information" section of the Fannie Mae Form 1073/Freddie Mac Form 465, *Individual Condominium Unit Appraisal Report*, must be completed and included as an addendum to the appraisal report.
3. Comparable sales must be condominium Manufactured Housing. Detailed explanations must be provided when search parameters are expanded due to the lack of comparable sales in the subject market area.

1. Subject Property Section

This section provides the factual data to identify the property and the parties to the appraisal process. The FHA case number together with the Borrower and/or property information will be supplied by the mortgagee/client who engages the appraiser.

Field	Protocol
FHA Case Number/ Appraiser Additional File Number	Insert the FHA case number at the top of the upper right hand corner to correspond with the XML label /VALUATION_RESPONSE/REPORT/@AppraiserAdditionalFileIdentifier must be formatted as xxx-xxxxxxx • This may also appear in a similar place on the other pages of the report but it is not a strict requirement. • The FHA appraisal may not be transmitted to the mortgagee without a case number. • In most software packages, this is formatted as an additional file number.

Field	Protocol
Appraiser's File Number	• This is the appraiser's choice of a file number/name. • This field occurs on every page of the form and must be consistent. • The placement of the header on the form varies from vendor to vendor.

Property Address	• It must conform to the *Mailing Standards of the United States Postal Service*, Publication 28 – Postal Addressing Standards. The following address elements must be included in this field:
	  ○ street number
	  ○ street name (including applicable pre-directional indicator, suffix, and/or post-directional indicator)
	  ○ address unit designator and number (if applicable)
	• This data is referenced more than once on the form and must be represented consistently.
	• If the property's legal location is different from the property's mailing address (for instance, the property is located in a different municipality or in an unincorporated area) explain this in the appraisal report.

City	• It must conform to USPS (Pub. 28). The following address element must be included in this field: City (Postal Address City). • This data is referenced more than once on the form and must be represented consistently.
State	• It must conform to USPS (Pub. 28). The following address element must be included in this field: USPS two-letter state or territory representation. • This data is referenced more than once on the form and must be represented consistently.
Zip Code	• It must conform to USPS (Pub. 28). The following address element must be included in this field: five-digit ZIP Code or ZIP+4 Code (with or without the dash). • This data is referenced more than once on the form and must be represented consistently.
Borrower	• Enter the name of the Borrower
Owner of Public Record	• Enter the name of the owner as listed in public records. • If the seller is not the owner of public record, the appraiser must explain.
County	• If the subject property is not located in any county (e.g., the subject property is located in an independent city), enter the name of the local municipality or district in which the property is located.
Legal Description	• Enter the legal description of the property. • The four types of legal descriptions are: lot and block system, geodetic survey, government survey system, and metes and bounds description. • If the space provided is insufficient, attach this information as an addendum with the heading "Legal Description."

Field	Protocol
Assessor's Parcel #	• Enter the parcel number assigned by the local tax assessor. • For those areas that do not have an assessor's parcel number, enter the tax identification number. • If more than one parcel number is applicable, each must be listed, separated by a semicolon.
Tax Year	• It must be in a four-digit year format. • Data format: yyyy.
R.E. Taxes $	• Enter the dollar amount of the annual real estate taxes, including all relevant taxes (school district tax, fire district tax, etc.). • Use whole dollars only.
Project Name and Phase	• Enter the name of the project. • If the subject property is in a phased project, enter the number of the phase.
Map Reference	• Enter the location map reference, page number and coordinates, from the source used. • This reference should relate to the location maps most commonly used in the locale.
Census Tract	• Enter the census tract number. • The census tract number must be provided. • Census tract numbers have four digits and may have a two digit decimal suffix. • Where the basic census tract number is less than four digits, the Census Bureau includes leading zeroes except when displaying numbers on maps or printed reports. • To uniquely identify a census tract, a two-digit state code and three-digit county code precede the four or six-digit census tract number. • The Census Bureau has an Internet resource guide for locating census information at www.census.gov.

Occupant	• Mark the box signifying the occupancy status at the time of the appraisal.
	• If vacant, the appraiser must note, in the "Improvements" section under "condition of the property," whether the utilities were on or off at the time of the appraisal.
	• With the exception of HUD REO properties, if the utilities were not turned on:
	  ○ condition the appraisal on a satisfactory re-inspection; and
	  ○ state that the utility that was off at the time of the appraisal, and include an extraordinary assumption that the mechanical equipment does not require alteration, repair or further inspection once the utilities are restored.

Field	Protocol
Special Assessments $	• Report the dollar amount of special assessments for the subject property, if any, and provide a brief explanation for the assessment. • Special assessments can include municipal bond debt for off-site improvements. • Larger than typical special assessments may affect marketability. • Use whole dollars only. • If there are no special assessments applicable to the subject property, the appraiser must enter 0 in this data field.
HOA $	• Enter the dollar amount of the HOA fee and mark the box indicating if the fees are paid "per year" or "per month." • Use whole dollars only. • If there are no mandatory HOA fees applicable to the subject property, the appraiser must enter 0 in this data field.
Property Rights Appraised	• Mark the appropriate box indicating the property rights appraised for the subject property as of the date of the appraisal. • "Other" includes Land Trust.
Assignment Type Purchase Transaction	• Mark the appropriate box indicating the assignment type: "Purchase Transaction," "Refinance Transaction," or "Other" (describe).
Lender/Client	• Enter the name of the mortgagee/client that ordered and will receive the appraisal report.
Intended Use and Intended Users	• The intended use of the appraisal is solely to assist FHA in assessing the risk of the property securing the FHA-insured mortgage (24 CFR 200.145(b)). FHA and the Mortgagee are the intended users of the appraisal report. The FHA Appraiser does not guarantee that the property is free from defects. The appraisal establishes the value of the property for mortgage insurance purposes only.
Address	• Enter the mortgagee/client's address. • This data is referenced more than once on the form and must be represented consistently to the extent the available space permits. • The printed version of this field must appear completely in this location on the form, but may be truncated in the other locations.

Field	Protocol
Listed Within Previous Year Indicator	• If the subject property is currently offered for sale or has been offered for sale in the 12 months prior to the effective date of the appraisal, report the list date, expiration or withdrawn date, price change dates, prices, Days on Market (DOM) and terms offered.
Report data source(s) used, offering price(s), and date(s).	• The appraiser must provide a whole number or "Unk" if not known.

2. Contract Data Section

This section must be completed when the appraisal assignment involves a purchase transaction, otherwise enter "N/A" for not applicable. FHA requires that the appraiser be provided with a complete copy of the ratified sales contract, including all addenda, for the subject property. It provides the agreed-on contract price (accepted offer), date of sale, and all financial terms implicit in the offer. If unable to obtain this information, the appraiser is to state what efforts were made to obtain it.

The following table provides instruction for completing the "Contract" section of the report form.

Field	Protocol
Contract Analysis	• "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.
GSE Days On Market Description	• If there are no current or prior offerings in the 12 months prior to the effective date of the appraisal, then this field must indicate the data sources used to establish this fact.
Currently offered for sale?	• The appraiser's certification states in part, "I have researched, verified, analyzed and reported on any current agreement of sale of the subject property, any offering for sale of the subject property in the twelve months prior to the effect date of the appraisal…" • Mark the appropriate box indicating whether the subject is currently offered for sale or has been offered for sale in the 12-month period prior to the effective date of the appraisal. • If there are multiple actions, report each instance. • Research may reveal an expired or withdrawn listing, which may provide a good indication of the upper limits of value.

<table>
<tr><th>Field</th><th>Protocol</th></tr>
<tr><td>Report data source(s) used, offering price(s), and date(s)</td><td>• Complete this field regardless of whether the property is currently offered for sale or has been for sale in the 12 months preceding the date of the appraisal.
• The appraiser must provide a whole number or “Unk” if not known.</td></tr>
<tr><td>Analyze Contract for Sale</td><td>• Explain the results of the analysis (terms and conditions) of the contract of sale or why the analysis was not performed.
• The analysis may include a reference to the number of pages contained in the contract for sale provided.
• Identify the source(s) used, price(s) and date(s) of current or prior listings.
• If purchaser name in contract does not match borrower name provided by the lender, include a comment.</td></tr>
<tr><td>Contract Price $</td><td>• Enter the final agreed upon contract price.
• Use whole dollars only.</td></tr>
<tr><td>Date of Contract</td><td>• Enter the date of the contract.
• This is the date when all parties have agreed to the terms of, and signed the contract.
• Data input format: yyyy-mm-dd, but PDF will display this format: mm/dd/yyyy.</td></tr>
<tr><td>Defined Transaction Types</td><td>• Explain the results of the analysis of the contract for sale or why the analysis was not performed.
• The allowable values are listed below and are self-explanatory. The abbreviated version is displayed in the sales adjustment grid.
<table>
<tr><th>Allowable Values</th><th>Abbreviation</th></tr>
<tr><td>REOSale</td><td>REO</td></tr>
<tr><td>ShortSale</td><td>Short</td></tr>
<tr><td>CourtOrderedSale</td><td>CrtOrd</td></tr>
<tr><td>EstateSale</td><td>Estate</td></tr>
<tr><td>RelocationSale</td><td>Relo</td></tr>
<tr><td>NonArmsLengthSale</td><td>NonArm</td></tr>
<tr><td>ArmsLengthSale</td><td>ArmLth</td></tr>
</table></td></tr>
</table>

Field	Protocol
Is the property seller the owner of public record?	• Mark the appropriate box indicating whether the seller is the owner of public record. • The appraiser is instructed to contact the mortgagee/client if the seller is someone other than the owner of record, as the property may not be eligible for FHA financing if it involves Property Flipping (resale in less than 90 Days). • The mortgagee will make a determination for any exceptions to FHA's Property Flipping rule and advise the appraiser. • Report where the information was obtained.
Sales Concessions Down payment Assistance	• Mark the appropriate box indicating whether or not there is any financial assistance (loan charges, Sales Concessions, gift or down payment assistance, etc.) paid by any party on behalf of the Borrower. • If necessary, use an addendum, and enter the heading "Sales Concessions," completing the description. • If applicable, the appraiser is to report the total dollar amount and describe the items to be paid. • If the sale involves Personal Property (e.g., an aboveground pool, lawn mower, furniture, etc.) identify it and exclude from the valuation.

3. Neighborhood Section

This section reflects the area surrounding the subject property. The appraiser must observe neighborhood characteristics and surrounding properties to make determinations that will be incorporated into the valuation of the subject property. In all instances, the appraiser must mark the appropriate box for each line in "Neighborhood Characteristics" and "Housing Trends." Failure to note conditions that may adversely affect the value of the property is poor appraisal practice and violates the USPAP.

The following table provides instruction for completing the "Neighborhood" section of the report form. NOTE: Race and the racial composition of the neighborhood are not appraisal factors.

Field	Protocol

Location	• Enter the type of area surrounding the subject property:
	  ○ urban – relates to a city
	  ○ suburban – relates to an area adjacent to a city
	  ○ rural – relates to the country or beyond the suburban area

Field	Protocol
Built-Up	• Enter the built-up percentage – the percentage of available land that has been improved. • Mark only one box that best describes the type of area. • Land such as a state park would not be considered available land.
Growth	• Enter the growth rate.

The following table provides instruction for completing the "Condominium Unit Housing Trends" section of the report form.

Field	Protocol
Property Values	• Mark the box describing the current trend in the As-Is Property Values for condominium unit housing in the community. • Comparing units that have been sold and resold in recent years is an effective way to determine market trends. • Appraisers who use this method, however, must factor in any improvements or changes made to the property between sales.
Demand/ Supply	• Mark the appropriate demand/supply trend. • To determine the equilibrium status of supply and demand in the neighborhood, compare the number of houses sold to the number of houses listed for sale in a recent time period. • The similarity or difference between the number of houses sold and listed, not the absolute numbers, must determine the demand/supply level.
Marketing Time	• Mark the appropriate marketing time – the typical length of time a property similar to the subject property would have to stay on the market before being sold at a price near its Market Value.

The following table provides instruction for completing the "Condominium Housing Price and Age" section of the report form.

Field	Protocol
Price	• Enter the low, high and predominant prices found within the neighborhood/market area. • The range must include the minimum and maximum ends of the range, excluding outliers. • The predominant value must reflect a point in the range where most of the prices occur.

Field	Protocol
Age	• Enter the low, high and predominant ages of houses found within the neighborhood/market area. • The range must include the minimum and maximum ends of the range, excluding outliers. • The predominant age must reflect a point in the range when most of the houses were built.

The following table provides instruction for completing the "Present Land Use %" section of the report form.

Field	Protocol
Present Land Use %	• Estimate each type of land usage in the neighborhood. • If there is no land in the neighborhood with one of the designated classifications, enter a "0." • If a portion of the land consists of parks or other unspecified classifications, enter the estimated percentages on the "Other" line and explain in the "Neighborhood Description" section. • Total of all land use must = 100%.

The following table provides instruction for completing the narrative "Neighborhood Boundaries, Description and Market Conditions" sections of the report form.

Field	Protocol
Neighborhood Boundaries	• The appraiser must clearly define the boundaries – north, south, east and west – of the subject's neighborhood. • Provide a description of the neighborhood boundaries by physical features (such as streets, rail lines, other man-made barriers or well-defined natural barriers, e.g., rivers, lakes, etc.), and details regarding neighborhood composition.

Field	Protocol
Neighborhood Description	• Discuss factors that would attract residents or cause them to reject the neighborhood. Some typical factors important to discuss include: o the level of maintenance and condition of housing o housing styles, ages, sizes, etc. o land uses o proximity to employment and amenities, including travel distance and time to local employment sources and community amenities o employment stability, in terms of variety of employment opportunities and industries o overall appeal of the neighborhood, as compared to competitive neighborhoods in the same market o convenience to shopping, with respect to distance, time and required means of transportation o convenience to schools, in terms of the distance and time for travel to school
Market Conditions (including support for the above conclusions)	• Provide relevant information in support of the conclusions relating to trends in the As-Is Property Values, demand/supply and marketing time. • Provide a description of the prevalence and impact of sales and financing concessions and/or downpayment assistance in the subject's market area. • Other areas of discussion may include Days on Market, list to sale price ratios, and/or financing availability.

4. Project Site Description Section

This information provides the description of the land underlying the subject project. Insert factual information on each of the lines provided and report the conclusions as directed. Consider all aspects of the physical description and reconcile them in the opinion of Market Value. This section of the appraisal requires the appraiser to consider any adverse site conditions or adverse external factors that may affect value.

The following table provides instruction for completing the "Site" section of the report form.

Field	Protocol
Topography	• Enter the site topography, e.g., basically level, moderately sloping, strongly sloping, or steeply sloped, hilly, rolling, flat, etc. • Provide an explanation regarding whether the topography affects marketability and/or value.

<table>
<tr><th>Field</th><th>Protocol</th></tr>
<tr><td>Size</td><td>• Enter the project site area in square feet if less than one acre.
• Enter the acreage only if more than one acre.
• How does the size of the subject compare to typical sites in the market area?</td></tr>
<tr><td>Density</td><td>• Enter the density classification as shown in zoning or other public records for unit per acre, e.g., low density may be townhouses or garden style projects; high density may be mid-rise or high-rise projects.</td></tr>
<tr><td>View</td><td>• Describe the view from the site, e.g., similar housing, commercial area, water view, scenic view, etc.
• See the table below for the UAD view descriptions.
• Make adjustments for view if the market recognizes a difference. Provide photographs and explanation to support the adjustment.</td></tr>
<tr><td>Specific Zoning Classification</td><td>• Enter the specific zoning classification used by the local municipality or jurisdiction, e.g., R15, DR-3, etc.
• DO NOT GUESS OR ASSUME.
• If no zoning exists, enter “None Exists.”</td></tr>
<tr><td>UAD View Description</td><td>• Site descriptions for the subject and comparable properties must include an indication of the appeal of the site to the market. The UAD allowable values are listed below:
<table>
<tr><th>Allowable Values</th><th>PDF Display</th></tr>
<tr><td>Neutral</td><td>N</td></tr>
<tr><td>Beneficial</td><td>B</td></tr>
<tr><td>Adverse</td><td>A</td></tr>
</table>
• Since this data is used to describe the subject and the comparable properties, the judgment or methodology must be consistently applied.
• In addition to the judgment of potential benefit or adversity of the view, a description of the view also includes what one can see from the property. The UAD allowable values are listed below:
<table>
<tr><th>Allowable Values</th><th>PDF Display</th></tr>
<tr><td>WaterView</td><td>Wtr</td></tr>
<tr><td>PastoralView</td><td>Pstrl</td></tr>
<tr><td>WoodsView</td><td>Woods</td></tr>
<tr><td>ParkView</td><td>Prk</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Field</th><th>Protocol</th></tr>
<tr><td></td><td>
<table>
<tr><td>GolfCourseView</td><td>Glfvw</td></tr>
<tr><td>CityViewSkylineView</td><td>CtySky</td></tr>
<tr><td>MountainView</td><td>Mtn</td></tr>
<tr><td>ResidentialView</td><td>Res</td></tr>
<tr><td>CityStreetView</td><td>CtyStr</td></tr>
<tr><td>IndustrialView</td><td>Ind</td></tr>
<tr><td>PowerLines</td><td>PwrLn</td></tr>
<tr><td>LimitedSight</td><td>LtdSght</td></tr>
<tr><td>Other</td><td>Explain</td></tr>
</table>

The appraiser can then show the reader a general description of the view and whether the effect to the property is positive, negative or neutral.
“Other” provides the opportunity to describe a view not included in the list. Due to space limitations on the form, the appraiser may have to describe and explain this in the addendum.
When comparing the other properties to the subject, use these labels to assist in explaining why an adjustment was made or why it may not be adjusted.

</td></tr>
<tr><td>Zoning Description</td><td>

Describe what the specific classification means. Include a general statement describing what the zoning permits.
For example:

R15 = Low Density Multifamily Residential
PD = Planned Development Area
MF1 = Multifamily, High Density Development

If “No Zoning” exists, describe the prevalent use of sites in the neighborhood.

</td></tr>
<tr><td>Zoning Compliance</td><td>

Determine whether the current use complies with the zoning ordinances.
Mark the box indicating whether it is “Legal,” “Legal Non-Conforming” (Grandfathered Use), “No Zoning,” or “Illegal Use.”
If the existing property does not comply with all of the current zoning regulations (use, lot size, improvement size, off-street parking, etc.) but is accepted by the local zoning authority, enter “Legal Non-Conforming” and provide a brief explanation.
Mark the appropriate box “Yes” or “No” indicating that the zoning regulations permit rebuilding to current

</td></tr>
</table>

Field	Protocol
	density. • If the use is not legal, the property is not eligible for FHA mortgage insurance.
Highest and Best Use	Mark the appropriate box. • This entry questions the categorization as the highest and best use of the site as improved or, as proposed and completed, in relation to the neighborhood and current market conditions. • If current use represents the highest and best use, mark "Yes." • If it does not, mark "No" and provide an explanation.
Utilities	• Mark either "Public" or "Other." If "Other" is marked, describe. • Public utilities mean they are governmentally supplied and regulated. • Public does not include any community systems sponsored, owned or operated by the developer or a private company not subject to government regulation or financial assistance. • Note mechanical chlorinators or water flow that decreases noticeably while running simultaneous plumbing fixtures. • Visually inspect the septic system and its surrounding area. If there are obvious or readily observable signs of system failure, "require inspection" to ensure that the system is in proper working order. • Note: The appraiser must indicate whether a public water or sewage disposal system is available to the site.
Off-site Improvements–Type	• Briefly describe the off-site improvements by which the property is accessed. • Under "Type," enter road surface material and mark "Public" or "Private." For example: "Street-Asphalt; Public," or "Alley-None." • Public refers to an improvement dedicated to and accepted by a unit of government – not including HOAs.
FEMA Special Flood Hazard Area	• FEMA is responsible for mapping flood hazard areas. If the property is within an SFHA, mark "Yes." Otherwise, mark "No." • Attach a copy of the flood map panel for properties located within an identified flood hazard area.
FEMA Flood Zone	• Enter the FEMA Zone designation. Only properties within SFHAs, such as zones "A," a special flood hazard area, and "V," a coastal area, require flood insurance. Zones "B" "C" and "X" do not require flood insurance.
FEMA Map # and FEMA Map Date	• Enter the FEMA map number and map date. If it is not shown on any map, enter "Not Mapped."
Are utilities and off-site	• Mark the appropriate box indicating whether the utilities and off-site improvements are typical for the market area.

Field	Protocol
improvements typical for the market area	• If "No" is marked, explain what is typical.
Any adverse site conditions or external factors	• Mark the appropriate box indicating whether there are any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.). • If "No" is marked, no comment is necessary; if "Yes" is marked, an explanation is required. • Describe any adverse site conditions or adverse factors. • Consider easements affecting the functional utility of the property in the conclusions of both the highest and best use, and Market Value. For example, discuss adverse easements, encroachments, slide areas, illegal or non-conforming zoning use, etc. • Consider surface, subsurface and overhead easements. • List any adverse environmental conditions, including hazardous waste, toxic substances and others. • Explain all deficiencies that do not require repair (extreme slope, etc.) and consider them in the opinion of value. • Discuss the observations with direct relationship to value and consider them in the final opinion of value.

5. Leasehold Interest/Ground Rent Section

If the property is subject to Ground Rent, the appraiser must include an analysis of the terms of the lease including term of lease, renewal options, right of redemption, capitalization rate, date of expiration, etc. The mortgagee is responsible for ensuring that the appraiser has a copy of the deed or lease for analysis and that a copy is included in the loan file.

6. Project Information Description Section

This section describes the subject Condominium Project information. Accurately report the conditions observed including the overall condition of the project and quality of construction. Enter factual information on each of the lines provided and report the conclusions. Consider all aspects of the project information and reconcile them in the opinion of Market Value.

Field	Protocol
Data source(s) for project information	• Enter the data source(s) for the project information, e.g., condo documents, public records, property management company, board or association officials, etc.

Field	Protocol
Project Description	• Mark the box that best identifies the type of project description. • Some projects may contain more than one building type. In those cases, mark the appropriate boxes. • If "Other" is marked, enter a brief description for the project description.

General Description	
Field	**Protocol**
# of Stories	• Enter the number of stories for the project property type, i.e., number of stories for garden, mid-rise, or high-rise projects, townhouse, etc. • Format required is Numeric, to 2 decimal places
# of Elevator(s)	• Enter the number of elevators. • Format required is Numeric, to 2 decimal places • If none, enter 0.
Stage of Construction	• Mark the box indicating the stage of construction: "Existing," "Proposed," or "Under Construction." • Properties that are either "Proposed" or "Under Construction" require plans, the builder's certification, and specifications for the appraiser to review.
Year Built	• Enter the year the subject was completed • Format required is YYYY • For under construction or proposed construction Enter Current Year (New FHA Specific Requirement)
Effective Age (Yrs.)	• Enter the effective age of the improvements as a number only. Do not enter text. Example: 25 • A range is acceptable. Do not enter text. Example: 15-20 • The effective age reflects the condition of the property relative to similar competitive properties. • The effective age may be greater than, less than or equal to the actual age. • Note any significant difference between the actual and effective ages and explain in the "Condition of Property" comments section.
Exterior Walls	• Enter the type of construction material: aluminum, vinyl, wood siding, brick veneer, stucco, etc. • If a combination of materials was used, show the predominant portion first.

General Description	
Field	**Protocol**
Roof Surface	• Enter the material type: poured concrete, block, brick, stone, treated wood, etc., and rate the observed condition.
Total # Parking	• Enter the total number of parking spaces for the Condominium Project.
Ratio (spaces/units)	• Enter the ratio: the total number of parking spaces divided by the total number of units.
Type	• Enter the type of parking in the Condominium Project, such as open, garage, carport, or assigned.
Guest Parking	• Enter the number of guest, visitor, or non-assigned parking spaces in the Condominium Project.

Subject Phase	
Field	**Protocol**
# of Units	• Enter the total number of units in the subject's phase.
# of Units Completed	• Enter the number of units in the subject's phase that have been completed.
# of Units for Sale	• Enter the number of units in the subject's phase currently offered for sale.
# of Units Sold	• Enter the number of units in the subject's phase that have been purchased.
# of Units Rented	• Enter the number of units in the subject's phase rented to non-owners. • Possible sources for this data might include the HOA, builder, county records (off-site addresses), or an on-site management company. • Note: If this information is not available, the appraiser may have to enter a "0" and then explain that it is entered as a nominal number due to UAD formatting requirements, and then explain why the information reported may not be the same.
# of Owner Occupied Units	• Enter the number of units in the subject's phase that are owner occupied.

If Project Completed	
Field	**Protocol**
# of Phases	• Enter the total number of phases of construction in the subject project.
# of Units	• Enter the total number of units in the subject project.
# of Units for Sale	• Enter the number for sale in the subject project.
# of Units Sold	• Enter the number of units sold in the subject project.
# of Units Rented	• Enter the number of units rented in the subject project. • Possible sources for this data might include the HOA, builder, county records (off-site addresses), or an onsite management company. • Note: If this information is not available, the appraiser may have to enter a “0” and then explain that it is entered as a nominal number due to UAD formatting requirements, and then explain why the information reported may not be the same.
# of Owner Occupied Units	• Enter the number of owner occupied units in the subject project.

If Project Incomplete	
Field	**Protocol**
# of Planned Phases	• Enter the total number of planned phases for the subject project.
# of Planned Units	• Enter the number of planned units for the subject project.
# of Units for Sale	• Enter the number of units for sale in the subject project.
# of Units Sold	• Enter the number of units sold in the subject project.
# of Units Rented	• Enter the number of units rented in the subject project. • Possible sources for this data might include the HOA, builder, county records (off-site addresses), or an onsite management company. • Note: If this information is not available, the appraiser may have to enter a “0” and then explain that it is entered as a nominal number due to UAD formatting requirements, and then explain why the information reported may not be the same.
# of Owner Occupied Units	• Enter the number of owner occupied units in the subject project.

Field	Protocol
Project Primary Occupancy	• Mark the box indicating the occupancy type for the project, i.e., "Principle Residence," "Second Home" or "Tenant."
Is the developer/builder in control of the HOA?	• Mark the box indicating whether the developer/builder is in control of the HOA.
Management Group	• Mark the box identifying the type of management group. • If "Management Agent" is marked, provide the name of the management company and phone number.
Does any single entity own more than 10% of the total units in the project?	• Enter an "X" in the applicable box indicating whether a single Entity owns more than 10% of the total units in the project. • If "Yes," provide the name of the Entity and the number of units owned. It is possible to have multiple entities in this category.
Was the project created by conversion?	• Enter an "X" in the applicable box indicating whether the project was created by a conversion. • If "Yes," describe the original use and the date of conversion.
Are the units, common elements, and recreation facilities complete?	• Enter an "X" in the applicable box indicating whether the common elements and recreational facilities have been completed. • If "No," provide an explanation describing what remains to be completed.
Is there any commercial space in the project?	• Enter an "X" in the applicable box indicating whether there is commercial space in the project. • If "Yes," describe the commercial space and provide the overall percentage of commercial space.
Describe the condition of the project and quality of construction	• Describe the overall condition and maintenance of the project. • Note any evidence of physical deterioration. • Rate the project's condition (Good, Average, Fair, or Poor). • Rate the quality of construction considering the durability and quality of the materials and finish.
Describe the common elements and recreational facilities	• Describe common elements and recreational areas such as parking areas, pools, courts, club houses, fitness centers, etc.
Are any common elements leased to or by the HOA?	• Enter an "X" in the box indicating whether any of the common elements are leased to the HOA. • If "Yes," provide a description of the rental terms and options and comment on any effect on the marketability or value of the project.

Field	Protocol
Is the project subject to ground rent?	• Enter an "X" in the box indicating whether the project is subject to a Ground Rent. • If "Yes," enter the dollar amount of the annual Ground Rent and describe the terms, restrictions, and conditions of the lease agreement and what effect, if any, it has on the marketability or value of the project.
Are the parking facilities adequate for the project size and type?	• Enter an "X" in the box indicating whether the parking facilities are adequate for the project size and type. • If "No," describe and comment on the effect on value and marketability. For example, projects of similar size, type and quality have garage parking whereas the subject project has assigned open spaces.

7. Project Analysis Section

Field	Protocol
Analyze the Condominium Project Budget	• Explain the results of analysis of the Condominium Project budget or why the analysis was not performed. • The analysis includes adequacy of the fees and reserves to meet operating expenses, which may include: legal and accounting, utilities, trash removal, snow removal, repairs and maintenance, recreational areas maintenance and upkeep, gardening and yard maintenance, taxes, insurance, facility rentals, etc.
Are there any other fees for the use of the project facilities?	• Enter an "X" in the box indicating whether or not there are any fees other than the regular HOA fee for use of the project facilities. • If "Yes," report the charges and describe.
Compared to other competitive projects	• Mark the box that best indicates the subject project's unit charge comparability to competitive projects of similar quality and design. • If either the "High" or the "Low" box is marked, an explanation is required.
Are there any special or unusual characteristics of the project known to appraiser?	• Enter an "X" in the box indicating whether there are any special or unusual characteristics of the project known to the appraiser (based on information from condominium documents, budget, HOA meetings, or other sources). • If "Yes," describe and explain the effect on value and marketability; for example, condominium fees increasing by 30% to cover major repair due to lack of adequate reserves for building maintenance.

8. Unit Description Mechanical Systems Section

An appraiser must examine the mechanical, plumbing and electrical systems of the subject property to ensure that they are in proper working order. This examination entails turning on the applicable systems and observing their performance. Do not operate the systems if doing so may damage equipment, or when outside temperatures will not allow the system to operate.

Field	Protocol
Unit Charge	• Enter the monthly condo/HOA fee, multiply by 12 and enter the result per year.
Annual Assessment per Sq. of GLA	• Divide the annual assessment charge per year by the GLA to compute the assessment per square foot.
Utilities included in monthly assessment	• Enter an "X" in the appropriate box or boxes identifying which utilities are included in the unit monthly assessment. • It "Other" is marked, please describe.

General Description	
Field	**Protocol**
Floor #	• Enter the floor level location of the unit.
# of levels	• Enter the number of levels contained in the subject unit.
Heating Type	• Enter the type of heating system: "FWA" (forced warm air); "HWBB" (hot water baseboard); "HWRad" (hot water radiant); "EBB" (for electric baseboard), etc. • Turn on the furnace/heating system to test functionality, weather permitting, and that no unusual noises are heard, no odors or smoke are emitted indicating a defective unit, etc. However, do not operate the systems if doing so may damage them. • Turn on the hot water to ensure that the water heater is operating appropriately. • Note any significant deterioration to the heating system.
Fuel	• Enter the type of fuel used: natural gas, oil, propane, electric, etc.

General Description	
Field	**Protocol**
Cooling Type	• Enter an "X" in the box indicating the type of cooling system: "Central Air Conditioning," "Individual," or "Other." If "Other" is marked, provide a brief description, e.g., permanently affixed fans, zoned air conditioning, etc. • Turn on the air conditioning system to test functionality, weather permitting, and that no unusual noises are heard, no odors or smoke are emitted indicating a defective unit, etc. • DO NOT operate the systems if doing so may damage equipment or when outside temperatures will not allow system to operate. • Note significant holes/deterioration on the unit.

a. Interior Materials/Condition

Enter the types of materials and the condition of the materials (Good, Average, Fair, and Poor). Make every effort to describe accurately and explain in detail "Fair" and "Poor" ratings. The rating must relate to the habitability of the property given local standards.

Interior Materials/Condition	
Field	**Protocol**
Floors	• Enter the floor type: tile, hardwood, carpet, etc., and note the condition.
Walls	• Enter the type of walls: plaster, drywall, paneled, etc., and note the condition.
Trim/Finish	• Enter the type of molding: wood, metal, vinyl, etc., and note the condition.
Bath Wainscot	• Enter the type that protects the walls from moisture: ceramic tile, fiberglass, etc., and note the condition.
Doors	• Enter the door types: wood, metal, hollow core, etc., and note the condition.
Fireplace(s) #	• Enter "X" if this amenity exists and provide a specific number.
Woodstove #	• Enter "X" if this amenity exists and provide a specific number.
Deck/Patio	• Enter "X" if this amenity exists.
Porch/Balcony	• Enter "X" if this amenity exists.
Other	• Enter "X" in this box if applicable and describe the amenity or feature.

b. Appliances

Make an entry [X] in the boxes to indicate that these items exist. An entry in a box means that the item was considered part of the real estate and is included in the value.

Field	Protocol
Refrigerator	Enter "X" if this item exists.
Range/Oven	Enter "X" if this item exists.
Disp/Microwave	Enter "X" if this item exists.
Dishwasher	Enter "X" if this item exists.
Washer/Dryer	Enter "X" if this item exists.

c. Car Parking/Storage

Field	Protocol
None	• Mark "None" if there is no car storage space.
Type of Space	• Enter an "X" in the box or boxes signifying the type of storage space, if applicable.
# of Cars	• Enter the number of cars the space can accommodate, if applicable.
Assigned or Owned	• Mark this box indicating whether space(s) are assigned or owned, if applicable.
Parking Space #	• Enter the parking space #.

d. Gross Living Area

Field	Protocol
Finished area above grade contains	• To complete this section, enter the total number of above-grade rooms, the total number of bedrooms above grade, and the total number of bathrooms above grade. • Do not include foyers, basement finished rooms or unfinished attic space in the room count. • Enter the total square footage of the GLA above grade.
Are heating and cooling separately metered?	• Enter an "X" in the box indicating whether the heating and cooling for the individual units are separately metered. • If "No," describe and comment on compatibility to other projects in the market area.

e. Narrative Comments

The completion of this section is critical to the opinion of Market Value. The appraiser must discuss all adverse conditions and observed physical and functional deficiencies noted. If necessary, use an addendum for additional discussion or description.

Appraisers must follow UAD instructions for formatting the first part of this section, and must clearly communicate the observations, analyses, and conclusions.

The UAD field specific requirements are not a substitute for, and do not exempt FHA Roster appraisers from the requirement to provide adequate explanations in the addendum of the reporting form regarding methodology, anomalies, property deficiencies and other conditions that may have an impact upon the value of a property and its marketability.

Field	Protocol
Additional Features	• Use this space to describe special energy efficient features such as solar energy or geothermal systems and/or to further describe the additional features. • Please elaborate on any special or unusual aspects of items, e.g., gas fireplace or wood burning fireplace.
Condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.)	• Describe any physical deterioration and/or functional or external depreciation noted in or on the property. • UAD requires the Overall Condition Type, Update within the Last Fifteen Years Indicator, and Improvement Area Type. • Provide a conclusion as to the overall condition of the improvements that is supported by the previous descriptive sections. • FHA requires the appraiser to list deficiencies and/or lack of compliance with MPS or MPR. • The reported property condition must be consistent with the reconciled condition of the appraisal. If the appraisal is completed subject to repair, the reported condition is the condition of the property “as repaired.”

Field	Protocol
Physical deficiencies or adverse conditions	• Enter an "X" in the applicable box indicating whether or not there are any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property. • If the response is "No," no explanation is required or needed. • If the response is "Yes," a full and detailed explanation is required and, if necessary, condition the appraisal on the "repair or alteration of the condition" or a "required inspection" by appropriately qualified individuals or entities, which may include professional engineers, tradespersons, or HUD fee inspectors. • Lead-Based Paint Hazard for condominium units built before 1978, the appraiser must inspect the interior of the unit, and exterior surfaces and appurtenant structures of the specific unit being appraised, address the overall condition, maintenance and appearance of the Condominium Project. The appraiser must note the condition and location of all defective paint in the interior of the unit, and require repair.
Property conformity	• Enter an "X" in the applicable box indicating whether or not the subject generally conforms to the neighborhood (functional utility, style, condition, use, construction, etc.). If the response is "Yes," no explanation is required or needed. However, if the response is "No," an explanation is required.

The following table provides instruction for completing the "Condition Rating format" in the "Expanded Comments" portion of the "Unit Description" section of the report form. The UAD format includes a series of defined condition and quality ratings to assist the reader in clearly understanding the appraiser's opinion of the quality and condition of the subject property.

Condition Ratings	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.
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 are either almost new or have been recently completely renovated and are similar in condition to new construction.

Condition Ratings	Definitions
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.

9. Prior Sale History and Sale Data Section

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 in the “Additional Comments” section or in an addendum).

Field	Protocol
Research sale or transfer history of subject & comps	• Enter an “X” in the applicable box indicating whether the appraiser “did” or “did not” research the sale or transfer history of the subject property and comparable sales. If not, provide an explanation. • A property’s location in a “non-disclosure state” does not remove the appraiser from the requirement to research, report, and analyze the prior sale history of the subject and comparable properties.

Field	Protocol
Prior sales or transfers of subject property	• Enter an "X" in the applicable box indicating whether the appraiser's research "did" or "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)	• Enter the data source(s) used for sales and transfer information. Two sources are recommended for researching prior sales and transfers: local MLS and local public records at a minimum. • Be familiar with the data source(s), i.e., how the data is gathered and how often it is updated, what is the publication date of the data, and what is the effective date of the data.
Prior sales or transfers of comparable sales	• Enter an "X" in the applicable box indicating whether the appraiser's research "did" or "did not" reveal any prior sales or transfers of the comparable sales for the three years prior to the date of sale of the comparable sale per the requirements of the form. • FHA requires the appraiser to report the date(s) and price(s) of prior sale(s) that occurred within three years of the effective date of the appraisal. (FHA Specific Requirement).
Data Source(s)	• Enter the data source(s) used for sales and transfer information. Two sources are recommended for researching prior sales and transfers: local MLS and local public records at a minimum. • Be familiar with the data source(s), i.e., how the data is gathered and how often it is updated, what is the publication date of the data, what is the effective date of the data.

Field	Protocol
Analysis of prior sales or transfers of subject and comparable properties	• Report the date(s) of prior sale(s) or transfer(s) of the subject that occurred within three years of the effective date of the appraisal. • Report the date(s) of prior sale(s) or transfer(s) of each comparable that occurred within three years of the effective date of the appraisal. (FHA Specific Requirement). • Report prior transfers regardless of conveyance type or consideration amount. If the prior transfer or offering is not relevant to the current transaction or offering, explain why. • For new construction, include any prior transfers of the land as vacant. • If the properties are located in a "non-disclosure state," the appraiser is responsible for reporting the information that is reasonably obtainable. • Report the analysis of prior sale or transfer history of the subject and comparable properties. • The appraiser must evaluate the relevancy of prior transfers to the current sale or offering of the comparable. • The appraiser must describe the difference between recent transfers versus the current sale or offering, and the effect on the appraisal problem. • The appraiser must provide an analysis of the prior sale or transfer history of the subject property and comparable properties in the report. Simply reporting a transaction is not a sufficient analysis or explanation to the reader. • FHA recognizes the limitations of form reports and the UAD format. If multiple prior transactions exist for the same property within three years prior to the effective date of the appraisal, the appraiser must analyze and report those prior transactions.
Data Source(s)	• Enter the data source(s) used for sales and transfer information. Two sources are recommended for researching prior sales and transfers: local MLS and local public records at a minimum. • Be familiar with the data source(s), i.e., how the data is gathered and how often it is updated, what is the publication date of the data, and what is the effective date of the data.

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 in the "Additional Comments" section or in an addendum).

10. Sales Comparison Approach Section

The appraiser is required to report the number of comparable properties currently offered for sale, as of the effective date of the appraisal, and the number of comparable sales in the subject neighborhood, within 12 months of the effective date of the appraisal, in

this section. Unlike the neighborhood price data, which includes all sales, this section focuses only on those properties that are comparable to the subject, not the universe of sales.

If there was difficulty in locating comparable properties, for example, the subject is a "high-rise" and it is the only sale within the project in the past 12 months, and one or more of the comparable properties was a "mid-rise" or "garden style", then for the purposes of this section, all such properties in the subject's neighborhood are to be treated as comparable and counted.

Refer to the Comparable Sales section in the *4000.1 FHA Single Family Housing Policy Handbook*.

a. Comparable Data Pool

The following table provides instruction for completing the "Sales and Listing" portion of the "Sales Comparison Approach" section of the report form.

Field	Protocol
Comparable properties offered for sale	• Enter the number of comparable properties currently offered for sale, including those under contract, within the subject neighborhood together with the price range.
Comparable sales	• Enter 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.
Number of Comparable Listings	• Comparable Listings Researched Count
Comparable Listings Price Range Low	• Comparable Listings Price Range Low Amount
Comparable Listings Price Range High	• Comparable Listings Price Range High Amount
Number of Comparable Sales	• Comparable Sales Researched Count
Comparable Sales Price Range Low	• Comparable Sales Price Range Low Amount
Comparable Sales Price Range High	• Comparable Sales Price Range High Amount

Enter factual data in each field or line.

Field	Protocol
Address and Unit #	• Enter the address and unit number for the subject and each comparable sale. This must conform to the *Mailing Standards of the United States Postal Service*, Publication 28 – Postal Addressing Standards. • The following address elements must be included in this field: ○ street number ○ street name (including applicable pre-directional indicator, suffix, and/or post-directional indicator) ○ address unit designator and number (if applicable) ○ city (Postal Address City) ○ USPS two-letter state or territory representation ○ five-digit ZIP Code or ZIP+4 Code (with or without the dash)
Project Name and Phase	• Enter the project name and phase number for the subject and each comparable sale.
Proximity to Subject	• Enter the proximity in straight-line distance and direction. For example, "1.5 miles NE." • If the distance from the subject is more than a generally accepted distance, or located outside the defined neighborhood boundaries, be sure to explain why the sale is applicable in the "Summary of Sales Comparison Approach" section.
Sale Price	• Enter the contract price of the subject if applicable. • Enter the purchase price for each of the comparable sales. • If a comparable is an active listing, enter its list price and comment that it is an active listing. • If a comparable is a listing with a contract pending, enter the contract price if known. If not known, enter its list price and comment that the price noted is the list price and not the contract price.
Sale Price/ Gross Liv. Area	• Enter the price per square foot for the above-grade living area for the subject, if a purchase transaction, and each comparable sale. (This is usually calculated automatically by the appraiser's software).
Data Source(s)	• Enter the data source(s) used for sales information.

Field	Protocol
Verification Source(s)	• Enter the verification source(s), the document or party from which the additional proof was obtained. • MLS by itself is not considered a verification source. • Contacting someone with first-hand knowledge of the transaction (agent, broker, buyer, seller, etc.) especially where it involves confirmation of seller concessions is the preferred method of verification. • A single source may be used if the quality of data is such that the sales data are confirmed and verified by settled transactions. Information provided must permit the reader of the report to locate the data from the sources cited. • Do not use market data sales that are not verified and adjusted to reflect the terms and conditions of sale.

b. Value Adjustments

Adjustments are made to the price of the sale properties for price-influencing dissimilarities between each sale and the subject property. Not all dissimilarities require adjustment because not all dissimilarities achieve price differentials in the market. All adjustments must be extracted from and supported by the actions of the market.

For each adjustment item, enter the description of the adjustment and whether it is an upward or downward adjustment. Do not make an adjustment unless it has a material effect on value.

The following table shows the individual field descriptions of the sales comparison grid along with the FHA protocol for that section.

Field	Protocol
Sales or Financing Concessions	• Report the type of financing such as conventional, FHA or VA, etc. • See table below for UAD Requirements. • Report the type and amount of sales concession for each comparable sale listed. • If no concessions exist, the appraiser must note “None.” • The appraiser is required to make market-based adjustments to the comparable sales for any sales or financing concessions that may have affected the sales price. • The adjustment for each comparable sale must reflect the difference between the sales price with the Sales Concessions, and what the property would have sold for under typical market conditions.

Field	Protocol
Date of Sale/Time	• Enter the date of settlement. UAD formatting may show this as month and year. • Enter the date of contract. UAD formatting may show this as month and year. • Time adjustments, if any, must be supported by the market and consistent with the neighborhood market conditions noted. • Show both the contract date and date of settlement. Time adjustments must be calculated using the contract date (meeting of the minds) rather than the date of settlement. Explanation is required for any time adjustments.
Location	• See the table below for UAD Externalities Description. • Location adjustments may be warranted for positive or negative factors that influence sales price, such as a busy street versus a quiet street, rather than using the name of the community or subdivision. • Explain any adjustments made in this area. • If the UAD specifications do not sufficiently describe the locations of the subject and comparable sales, use one of the blank lines to provide additional descriptions and corresponding adjustments.
Leasehold/Fee Simple	• State whether the property was sold as Fee Simple or as a Leasehold Estate. • An adjustment is required if the estate differs from the rights appraised for the subject property, and the difference is recognized by the local market. • Adjust for differences between the comparable properties and the subject based on Fee Simple versus Ground Rent if applicable. • Adjust for differences between the comparable properties and subject based on differences in terms of Ground Rent if applicable.
HOA Mo. Assessment	• Enter the monthly unit charges. • Any adjustments made for value differences must be explained.
Common Elements and Rec. Facilities	• List the common elements and recreational facilities. • Adjust for differences where and if warranted.
Floor Location	• Enter the floor location of the unit. • Adjust for any differences attributable to floor location within a project if warranted.

Field	Protocol
View	• Describe the view from the unit, water view, skyline, etc. • See the table below for UAD Requirements. • Such terms as "Average" or "Good" are only to be used as adjuncts, e.g., "Skyline/Average," "Water view/Good." • Make adjustments only if the view is superior or inferior to the subject. • If the subject has a superior view and adjustments are made, a photograph of the view amenity is required.
Design (Style)	• Enter the style according to a project description used. Be consistent with the improvement description.
Quality of Construction	• See the table below for UAD Requirements. • Differences in quality resulting in adjustments must be explained. An explanation must be specific. It is not sufficient to simply state that "adjustments for quality are based on observations" or "based on descriptions provided in MLS." • Adjustments may also be warranted for interior construction quality and must be explained and justified.
Actual Age	• Enter only the actual age of the subject and each comparable property.
Condition	• Enter the condition of the subject and comparable sales. • See the table below for UAD Requirements. • Differences in condition resulting in adjustments must be explained. The explanation must be specific. It is not sufficient to simply state that "adjustments for condition are based on observations" or "based on descriptions provided in MLS." • If the appraisal is completed "subject to repairs," the subject's condition rating, and corresponding adjustments, must be based on the repairs as completed.

Above Grade Room Count	• Enter the room count, consistent with the description of improvements on the front of the appraisal form. Up to three adjustments may be entered:
	  ○ The first line is for bedroom and/or total room count differences (if appropriate).
	  ○ The second line adjustment is for the bathroom count differences (if appropriate)
	  ○ The third is for a difference in GLA (if appropriate).
	• Explain any adjustment to a comparable property in both GLA and room count, bedroom count and/or bathroom count.

Gross Living Area	• Enter the total square footage of the above-grade living areas. • Adjustments for differences in square footage must be market derived.

<table>
<tr><th>Field</th><th>Protocol</th></tr>
<tr><td>Basement & Finished Rooms Below Grade</td><td>

Provide the total square footage of basement area.
Total basement area format: square footage, numeric, up to five digits: 12345.
The appraisal report must indicate the square footage in whole numbers only, no commas.
If there is no basement, enter a value of 0.
Report the finished square footage in whole numbers only, no commas.
If 0% finished, a value of 0 must be entered.
If the appraiser does not have a credible data source for the quantity of finished basement area, enter a 1 for finished area and explain in the addendum.
Finished square footage format: numeric, to five digits: 12345.
Enter the type of additional basement access based on the following table:
<table>
<tr><th>Allowable Values</th><th>PDF Display</th></tr>
<tr><td>WalkOut</td><td>wo</td></tr>
<tr><td>WalkUp</td><td>wu</td></tr>
<tr><td>InteriorOnly</td><td>in</td></tr>
</table>

Explain or address the applicability of adjustments for differences in basement access. For instance, if no adjustment is made for a walkout basement versus a walk-up basement, provide an explanation.
Enter the type of rooms below grade: for example, recreation room, bedroom, full bath, or half bath.
Basement room format: numeric, one-digit such as 1rr, 1br, 1ba or 1rr, 2br, 1.1 ba, etc.
Explain any special features or finishes in the “Summary of Sales Comparison Approach” section.
Because adjustments for multiple basement characteristics may be combined, it is important to include clear explanations of each adjustment factor or amount.

</td></tr>
</table>

Field	Protocol
Functional Utility	• Enter "Equal," "Superior," or "Inferior" as a total of the items rated in the "Improvement Analysis" compared to the subject. Use the "Summary of Sales Comparison Approach" section to explain differences. • Adjust for functional obsolescence observed in the subject noted in the unit description and not found in the comparable sales. • Extract dollar adjustments from the market. For example, a poor floor design that includes two bedrooms so that the entrance to one is gained by passing through the other typically requires a negative adjustment for functional obsolescence. • The floor plan of the subject is required when functional obsolescence is attributable to layout or poor floor plan.
Heating/ Cooling	• Enter an adjustment for differences in heating and cooling systems. Any adjustment must be based on market expectations.
Energy Efficient Items	• Describe energy efficient items: storm windows and doors, solar installations, replacement windows, etc., and enter an adjustment for differences if warranted. If none, so state.
Garage/Carport	• Enter an adjustment for car storage. • Calculate adjustments in accordance with market acceptance of carport value versus garage and size (one car, two cars, etc.).
Porch, Patio, Deck	• Enter an adjustment for these features. • Base any adjustments on local market expectations.
Blank Lines	• Three blank lines are provided for the appraiser's use to describe additional amenities, features or individual characteristics not listed or addressed elsewhere in the sales grid, e.g., woodstove, fireplace, fencing, other. • Enter appropriate adjustments where warranted.
Net Adjustment (Total)	• Mark either [+] or [-] box to indicate if the total net adjustments will increase or decrease the value and note by how much. • If adjustment exceeds preferred guidelines, review the comparable properties to determine if the best ones were selected and adjustments were appropriately applied. If the total adjustments appear disproportionate in relation to the price, the appraiser must reexamine the relevance of that sale and magnitude of the adjustments.

Field	Protocol
Adjusted Sale Price of Comparable Properties	• Total all of the adjustments and add them to or subtract them from the sales price of each comparable. Preferred underwriting guidelines indicate that adjustments may not exceed 10% for line items, 15% for net adjustments and 25% for gross adjustments. • If any adjustments exceed stated guidelines, an explanation must be provided.
Summary of Sales Comparison Approach	• Use this section to explain the comparable selection. • Use this section to provide required explanations for subjective adjustments made in any of the following value factors: “Location,” “Site,” “View,” “Design,” “Quality of Construction,” “Age,” “Condition” and “Functional Utility.” • Use this section to explain any adjustments exceeding guidelines. • Use this section to explain which comparable sale or sales is/are given most weight or consideration, and why. • Explain the thought process used to reconcile the range of adjusted sale prices into a single indication of value. The summary must generally reflect on the degree of comparability of each comparable sale to the subject. This may include discussion of the relative size of gross and net adjustments, date of sale, location, design, or other pertinent characteristics. • The value indicated by the sales comparison approach must be consistent with the appraiser’s reasoning.
Indicated Value by Sales Comparison Approach $	• Enter the indicated value.

The following table provides instruction for completing the “Sales Transaction Type” block of the “Sales Comparison Approach” section of the report form.

Transfer Type	Sales Grid Label	Page 1 Description
REOSale	REO	REO sale
ShortSale	Short	Short sale
CourtOrderedSale	CrtOrd	Court ordered sale
EstateSale	Estate	Estate sale
RelocationSale	Relo	Relocation sale
NonArmsLengthSale	NonArm	Non-arm’s length sale

Transfer Type	Sales Grid Label	Page 1 Description
ArmsLengthSale	ArmLth	Arm's length sale
Listing	Listing	Does not apply to subject property.

The following table displays the UAD allowable values for the type of financing, along with the related abbreviation, which will be printed on the display PDF of the appraisal report.

Allowable Values	PDF Display
FHA	FHA
VA	VA
Conventional	Conv
Cash	Cash
Seller	Seller
RuralHousing	RH
Other	Explain

The following table displays the UAD allowable values for the type of location, along with the related abbreviation, which will be printed on the display PDF of the appraisal report.

Allowable Values	PDF Display
Neutral	N
Beneficial	B
Adverse	A

The following table displays the UAD allowable values for the UAD Externalities Description for location, along with the related abbreviation, which will be printed on the display PDF of the appraisal report.

Allowable Values	PDF Display
WaterView	Wtr
PastoralView	Pstrl
WoodsView	Woods

Allowable Values	PDF Display
ParkView	Prk
GolfCourseView	Glfvw
CityViewSkylineView	CtySky
MountainView	Mtn
ResidentialView	Res
CityStreetView	CtyStr
IndustrialView	Ind
PowerLines	PwrLn
LimitedSight	LtdSght
Other	

If an Externalities factor not on the list provided materially affects the value of the property, the appraiser must select "Other" and enter a description of the view associated with the property. Free-form descriptions must be entered carefully because data will be truncated on the appraisal report form if it exceeds the available space for that field.

The following table displays the UAD allowable values for the type of "Site View," along with the related abbreviation, which will be printed on the display PDF of the appraisal report.

Allowable Values	PDF Display
Residential	Res
Industrial	Ind
Commercial	Comm
BusyRoad	BsyRd
WaterFront	WtrFr
GolfCourse	GlfCse
AdjacentToPark	AdjPrk
AdjacentToPowerLines	AdjPwr
Landfill	Lndfl
PublicTransportation	PubTrn
Other	

If a view factor not on the list provided materially affects the value of the property, the appraiser must select "Other" and enter a description of the view associated with the property. Free-form descriptions must be entered carefully because data will be truncated on the appraisal report form if it exceeds the available space for that field.

The following table displays the UAD allowable values for the "Quality of Construction," along with the related abbreviation, which will be printed on the display PDF of the appraisal report.

Allowable Values	Definitions of Quality Level Identifiers
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.

Allowable Values	Definitions of Quality Level Identifiers
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.

The following table displays the UAD compliance Condition Rating Code along with the related definition of the level of condition.

Condition Ratings	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.

Condition Ratings	Definitions
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.

Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings if the dwelling is placed on a 100 percent 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 without adequate maintenance or upkeep).

11. Income Approach Section

If the market contains sufficient data for this approach to be relevant, then the income approach must be completed. The GRM factor must be market derived, supported, and applied to the market rent for the subject. Refer to the Income Approach to Value section in the *4000.1 FHA Single Family Housing Policy Handbook*.

Income Approach To Value	
Field	**Protocol**
Estimated Monthly Market Rent	Enter the subject's estimated market rent and multiply it by the GRM (the ratio between sales price and gross monthly Rental Income).
Summary of Income Approach	Provide support for the market rent and GRM if developed.
Income Approach	If not developed, leave blank.

If this approach was not developed or included in the report, the appraiser must provide a reason why this approach was not utilized and report whether the lack of this approach adversely affects the credibility of the appraisal.

12. Reconciliation and Conditions of Value Estimate Section

The appraiser must consider all appropriate approaches to value, and all information relevant to the subject property and the market conditions in the opinion of Market Value.

If there is insufficient space in the "Reconciliation" section to list and describe any "repairs, alterations or required inspections" noted, then the appraiser is instructed to insert a reference in the "Reconciliation" section, "see addendum," and list and describe the items under the heading "Repairs, Alterations, Required Inspections."

Field	Protocol
Indicated Value by:	• Enter the "Indicated Value" for each of the approaches to value developed. If the approach was not developed, enter "0," "N/A," "ND" or "Not Dev." for not developed. • Reconcile the three approaches to value with a brief description of the validity of each approach with respect to the appraisal assignment.

a. Conditions of Value Estimate Section

When...	Then the appraisal should be rendered...
• there is/are no repair(s), alteration(s) or inspection conditions noted by the appraiser; • establishing the As-Is Value for a 203(k); • the property is being recommended for rejection; • the intended use is for Pre Foreclosure Sale (PFS) in accordance with 24 CFR 203.370 or CWCOT @ 24 CFR 203.368; or • the intended use is for Pre-Foreclosure, Foreclosure, or REO.	"As-is"
• the subject is Proposed Construction where construction has not started; • the subject is Under Construction but not yet complete (less than 90%); or • the mortgage type is a standard or limited 203(k).	"Subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed"

• the repair or alteration condition(s) noted by the appraiser to:
  ○ protect the health and safety of the occupants;
  ○ protect the security of the property;
  ○ correct physical deficiencies or conditions affecting structural integrity;
• certain Section 203(k) Rehabilitation Mortgages depending on scope of work.
• Under Construction, more than 90% complete with only minor finish work remaining (buyer) preference items e.g., floor coverings, appliances, fixtures, landscaping, etc.). This eliminates the need for plans and specifications.
	"Subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed"

• required inspection(s) are noted by the appraiser.	"Subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair"

When...	Then the appraisal should be rendered...
• required appraisal conditions.	Enter the required completion, repairs, alterations, or inspections. Detailed explanations of each must be provided in the "Additional Comments" section or the addendum.

More than one box may be marked depending on the assignment and property conditions.

If repairs or alterations are required, the appraiser must indicate the extent of repairs and note this in the appropriate section of the appraisal, in an addendum, under the heading of "Reconciliation – Required Repairs," listing the repairs noted together with an estimated cost to cure.

The appraiser must indicate the reasoning for any required inspections and note this in the appropriate section of the appraisal, in an addendum, under the heading of "Reconciliation – Required Inspection," listing the required inspections.

The value "subject to completion per plans and specifications," "subject to the following repairs or alterations," or "subject to the following required inspection" must be consistent with the subject property condition(s) described in the corresponding section of the report.

State the "Remaining Economic Life" as a single number or as a range. This line must be completed for every FHA appraisal whether or not the cost approach is completed. An explanation is required if the remaining economic life is less than 30 years.

Section	Instructions
Opinion of Market Value	Enter the opinion of Market Value.
Final Reconciliation	Reconcile the three approaches to value with a brief description of the validity and relative strength of each approach with respect to the appraisal assignment.
Date of Value	Enter the date when the property was inspected.

More than one box may be marked depending on the assignment and property conditions.

If repairs or alterations are required, the appraiser must indicate the extent of repairs and note this in the appropriate section of the appraisal, in an addendum, under the heading of "Reconciliation – Required Repairs," listing the repairs noted together with an estimated cost to cure.

The appraiser must indicate the reasoning for any required inspections and note this in the appropriate section of the appraisal, in an addendum, under the heading of "Reconciliation – Required Inspection," listing the required inspections.

The value "subject to completion per plans and specifications," "subject to the following repairs or alterations," or "subject to the following required inspection" must be consistent with the subject property condition(s) described in the corresponding section of the report.

13. Additional Comments Section

It may become necessary to include commentary that carries beyond the provided space of the appraisal reporting form. The use of an addendum provides the additional space for the appraiser to fully describe any item, area or condition where the commentary exceeds the space provided in other sections of the report. It is recommended that any information carried forward to the addendum, if needed, follow the sequence of the form with a proper heading identifying said section.

For example, the "Neighborhood Market Conditions" comments exceed the space provided on the form. In that case, on page 1 in "Neighborhood Market Conditions" enter "See addendum," and in the addendum enter the heading "Neighborhood Market Conditions," and provide the narrative in this section. Follow the same procedure for any section of the report where commentary exceeds the space provided. This will provide the reader with the proper identification and linkage of additional comments together with a logical flow of information in a standardized reporting format.

E. SMALL RESIDENTIAL INCOME PROPERTY (TWO TO FOUR UNITS) APPRAISAL REPORT

1. Introduction to the Fannie Mae Form 1025/Freddie Mac Form 72

This section provides specific instructions for completing the Small Residential Income Property Appraisal Report Fannie Mae Form 1025/Freddie Mac Form 72. FHA requires that this report be submitted in the MISMO 2.6 Errata 1, which is an XML document with embedded PDF as created by the appraiser.

This report form is designed to report an appraisal of a two-to four-unit property, including a two-to four-unit property in a PUD, based on an interior and exterior inspection of the subject property. A two-to four-unit property located in a Condominium Project must be appraised using the *Individual Condominium Unit Appraisal Report*. Fannie Mae Form 1025/Freddie Mac Form 72 is not designed to report an appraisal of manufactured home; therefore, where one or more of the units is Manufactured Housing, the appraiser is required to complete the following sections of the *Manufactured Home Appraisal Report*: "HUD Data Plate" and "Improvements."

2. Subject Property Data Section

This section provides the factual data to identify the property and the parties to the appraisal process. The FHA case number together with the Borrower and/or property information will be supplied by the mortgagee/client who engages the appraiser.

Field	Protocol
FHA Case Number/ Appraiser Additional File Number	Insert the FHA case number at the top of the upper right hand corner to correspond with the XML label /VALUATION_RESPONSE/REPORT/@AppraiserAdditionalFileIdentifier must be formatted as xxx-xxxxxxx • This may also appear in a similar place on the other pages of the report but it is not a strict requirement. • The FHA appraisal may not be transmitted to the mortgagee without a case number. • In most software packages, this is formatted as an additional file number.

Field	Protocol
Property Address	• It must conform to the *Mailing Standards of the United States Postal Service*, Publication 28 – Postal Addressing Standards. The following address elements must be included in this field: ○ street number ○ street name (including applicable pre-directional indicator, suffix, and/or post-directional indicator) ○ address unit designator and number (if applicable) • This data is referenced more than once on the form and must be represented consistently. • If the property's legal location is different from the property's mailing address (for instance, the property is located in a different municipality or in an unincorporated area) explain this in the appraisal report.
Borrower	• Enter the name of the Borrower.
Owner of Public Record	• Mark the appropriate box indicating whether the seller is the owner of public record. • The appraiser is instructed to contact the mortgagee/client if the seller is someone other than the owner of record, as the property may not be eligible for FHA financing if it involves Property Flipping (resale in less than 90 Days). • The mortgagee will make a determination for any exceptions to FHA's Property Flipping rule and advise the appraiser. • Report where the information was obtained.
County	• Enter the name of the county in which the property is located. It further provides locational parameters. • If not applicable, enter "N/A."
Legal Description	• Enter the legal description of the property. • The four types of legal descriptions are: lot and block system, geodetic survey, government survey system, and metes and bounds description. • If the space provided is insufficient, enter this information with the heading "Legal Description" in the "Additional Comments" section of the form report or attach this information as an addendum.
Assessor's Parcel #	• Enter the parcel number assigned by the local tax assessor. • For those areas that do not have an assessor's parcel number, enter the real property tax identification number.
Tax Year	• Enter the current tax year used by the locale, e.g., the fiscal year or actual year.
R.E. Taxes $	• Enter the dollar amount of the annual real estate taxes, including all relevant taxes (school district tax, fire district tax, etc.).

Field	Protocol
Neighborhood Name	• Enter the name of the subdivision, if applicable, or the commonly known local neighborhood designation. • If the subject property is in a PUD, provide the name of the development.
Map Reference	• Enter the location map reference, page number and coordinates, from the source used. • This reference must relate to the location maps most commonly used in the locale.
Census Tract	• Enter the census tract number. • The census tract number must be provided. • The Census Bureau has an Internet resource guide for locating census information, which can be found at www.census.gov.

Occupant	• Mark the box signifying the occupancy status at the time of the appraisal.
	• If vacant, the appraiser must note, in the "Improvements" section under "condition of the property," whether the utilities were on or off at the time of the appraisal.
	• With the exception of HUD REO properties, if utilities are not turned on:
	  ○ condition the appraisal on a satisfactory re-inspection; and
	  ○ state that the utility that was off at the time of the appraisal, and include an extraordinary assumption that the mechanical equipment does not require alteration, repair or further inspection once the utilities are restored.

Special Assessments $	• Report the dollar amount of special assessments for the subject property, if any, and provide a brief explanation for the assessment. • Special assessments can include municipal bond debt for off-site improvements. • Larger than typical special assessments may affect marketability. • If not applicable, enter "N/A."
PUD	• Check the box if the property is located in a PUD.
HOA $	• Enter the dollar amount of the HOA fee and mark the box indicating if the fees are paid "per year" or "per month."
Property Rights Appraised	• Mark the appropriate box indicating the property rights appraised for the subject property as of the date of the appraisal. • "Other" includes Land Trust.
Assignment Type	• Mark the appropriate box indicating the assignment type.

Field	Protocol
Lender/Client	• Enter the name of the mortgagee/client that ordered and will receive the appraisal report. • The intended use of the appraisal is solely to assist FHA in assessing the risk of the property securing the FHA-insured mortgage (24 CFR 200.145(b)). FHA and the Mortgagee are the intended users of the appraisal report. The FHA Appraiser does not guarantee that the property is free from defects. The appraisal establishes the value of the property for mortgage insurance purposes
Currently offered for sale or offered for sale in last 12 months	• The appraiser's certification states in part, "I have researched, verified, analyzed and reported on any current agreement of sale of the subject property, any offering for sale of the subject property in the twelve months prior to the effect date of the appraisal…" • Mark the appropriate box indicating whether the subject is currently offered for sale or has been offered for sale in the 12-month period prior to the effective date of the appraisal. • If there are multiple actions, report each instance. Research may reveal an expired or withdrawn listing. The prior listing may provide a good indication of the upper limit of value.
Report data source(s) used, offering price(s), and date(s)	• Complete this field regardless of whether the property is currently offered for sale or has been for sale in the 12 months preceding the date of the appraisal. • Identify the source(s) used, price(s) and date(s) of current or prior listings.

3. Contract Section

This section must be completed when the appraisal assignment involves a purchase transaction; otherwise enter "N/A" for not applicable. FHA requires that the appraiser be provided with a complete copy of the ratified sales contract, including all addenda, for the subject property. It provides the agreed-on contract price (accepted offer), date of sale, and all financial terms implicit in the offer. If unable to obtain this information, the appraiser is to state what efforts were made to obtain it.

Field	Protocol
Analyze Contract for Sale	• Explain the results of the analysis (terms and conditions) of the contract of sale or why the analysis was not performed. • The analysis may include a reference to the number of pages contained in the contract for sale provided. • If purchaser name in contract does not match borrower name provided by the lender, include a comment.
Contract Price $	• Enter the final agreed upon contract price.

Field	Protocol
Date of Contract	• Enter the date of the contract. • This is the date when all parties have agreed to the terms of, and signed, the contract.
Is the property seller the owner of public record? Data Source(s)	• Mark the appropriate box indicating whether the seller is the owner of public record. • The appraiser is instructed to contact the mortgagee/client if the seller is someone other than the owner of record. • The property may not be eligible for FHA financing if it involves Property Flipping (resale in less than 90 Days). The mortgagee will make a determination for any exceptions to FHA's Property Flipping rule and advise the appraiser. • Report where the information was obtained.
Sales Concessions, Downpayment Assistance	• Mark the appropriate box indicating whether or not there is any financial assistance (loan charges, Sales Concessions, gifts or downpayment assistance, etc.) paid by any party on behalf of the Borrower. • If necessary, use the "Additional Comments" section of the appraisal reporting form or an addendum and enter the heading "Sales Concessions," completing the description. • If "Yes," the appraiser is to report the total dollar amount and describe the items to be paid. • If the sale involves Personal Property (e.g., an aboveground pool, lawn mower, furniture, etc.) it must be identified and excluded from the valuation of the real estate.

4. Neighborhood Analysis Section

This section reflects the area surrounding the subject property. The appraiser must observe neighborhood characteristics and surrounding properties to make determinations that will be incorporated into the valuation of the subject property. In all instances, the appraiser must mark the appropriate box for each line in the "Neighborhood Characteristics" and "Housing Trends" sections. Failure to note conditions that may adversely affect the value of the property is poor appraisal practice and violates the USPAP.

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

Neighborhood Characteristics	
Field	**Protocol**
Location	• Enter the type of area surrounding the subject property: ○ urban – relates to a city ○ suburban – relates to an area adjacent to a city ○ rural – relates to the country or beyond the suburban area
Built-Up	• Enter the built-up percentage – the percentage of available land that has been improved. Land such as a state park would not be considered available land.
Growth	• Enter the growth rate. If many lots are available, the growth rate may be rapid, stable or slow, but if the neighborhood is fully developed, select the "Stable" box.

Two-to Four-Unit Housing Trends	
Field	**Protocol**
Property Values	• Mark the box describing the current trend in As-Is Property Values for two-to four-unit housing in the community. • If the subject property is the sole or one of only several two-to four-unit properties in the neighborhood or marketplace, indicate this scarcity under "Market Conditions," identify the most predominant housing type in the neighborhood and address trends in value for that identified type. • Comparing properties that have been sold and resold in recent years is an effective way to determine market trends. • Appraisers who use this method, however, must make sure to factor in any improvements or changes made to the property between sales.
Demand/ Supply	• Mark the appropriate demand/supply trend. • If the subject property is the sole or one of only several two-to four-unit properties in the neighborhood or marketplace, indicate this scarcity under "Market Conditions," identify the most predominant housing type in the neighborhood and address trends in demand/supply for that identified type. • To determine the equilibrium status of supply and demand in the neighborhood, compare the number of two-to four-unit properties sold to the number of two-to four-unit properties listed for sale in a recent time period. • The similarity or difference between the numbers of houses sold and listed, not the absolute numbers, must determine the demand/supply level.

Two-to Four-Unit Housing Trends	
Field	**Protocol**
Marketing Time	• Mark the appropriate marketing time – the typical length of time a property similar to the subject property would have to stay on the market before being sold at a price near its Market Value.
Price Age	• Indicate the low and high neighborhood prices and ages as well as the predominant value and age. • The high and low for both price and age must exclude the extreme outliers.

Present Land Use %	
One Unit, Two- to Four-Unit, Multi-Family, Commercial, Other	• Estimate each type of land usage in the neighborhood. • If there is no land in the neighborhood with one of the designated classifications, enter a “0.” • If a portion of the land consists of parks or other unspecified classifications, enter the estimated percentages on the “Other” line and explain in the “Neighborhood Description” section.

Neighborhood Narrative	
Neighborhood Boundaries	• The appraiser must clearly define the boundaries – north, south, east and west – of the subject’s neighborhood. • Providing a description of neighborhood boundaries by physical features such as streets, rail lines, and other man-made barriers or well defined natural barriers (e.g., rivers, lakes, etc.) details the makeup and understanding regarding neighborhood composition.

Neighborhood Narrative	
Neighborhood Description	• Discuss factors that would attract Investors or cause them to reject the neighborhood. • Some typical factors important to discuss include: ○ vacancy/rent loss ○ level of maintenance and condition of housing ○ housing styles, ages, sizes, etc. ○ proximity to employment and amenities, including travel distance and time to local employment sources and community amenities ○ employment stability, in terms of variety of employment opportunities and industries ○ overall appeal of the neighborhood, as compared to competitive neighborhoods in the same market ○ convenience to shopping, with respect to distance, time and required means of transportation ○ convenience to schools, in terms of the distance and time for travel to school.
Market Conditions (including support for the above conclusions)	• Provide relevant information in support of the conclusions relating to trends in the As-Is Property Values, demand/supply and marketing time. • Provide a description of the prevalence and impact of sales and financing concessions and/or downpayment assistance in the subject's market area. • Other areas of discussion may include Days on Market, list to sale price ratios, and/or financing availability.

5. Site Section

This information provides the description of the land underlying the subject property. Insert factual information on each of the lines provided and report the conclusions as directed. Consider all aspects of the physical description and reconcile them in the opinion of Market Value. This section of the appraisal requires the appraiser to consider any adverse site conditions or adverse external factors that may affect value.

Field	Protocol
Dimensions	• List all dimensions of the site beginning with the frontage. • If the shape of the site is irregular, show the boundary dimensions (85' X 150' X 195' X 250') or attach a property survey or legal description of the site.

Field	Protocol
Area	• Enter the site area in square feet or acres. • This entry must be consistent with the dimensions provided in the "Dimensions" field.
Shape	• Describe the shape of the site, e.g., triangular, square, rectangular, irregular, or flag lot.
View	• Briefly describe the view from the property (None or N/A is not an acceptable response). • Identify a view with a significant positive or negative influence on the value. • Photographs are required for any negative or positive view influences affecting value or marketability.
Specific Zoning Classification	• Enter the specific zoning classification used by the local municipality or jurisdiction, e.g., R-3, R-5. • Appraisers are instructed to be especially cognizant of the specific zoning for two-to four-unit properties. • If no zoning exists, enter "None Exists."
Zoning Description	• Describe what the specific classification means. Include a general statement describing what the zoning permits. • For example: R-3 = single family and two-family, up to three Dwelling Units per acre. • If "No Zoning" exists, describe the prevalent use of sites in the neighborhood.
Zoning Compliance	• Determine whether the current use complies with the zoning ordinances. Some zoning codes require additional analysis to determine compliance. • Mark the box indicating whether it is a "Legal," "Legal Non-Conforming" (Grandfathered Use), "No Zoning" or an "Illegal Use." • If the existing property does not comply with all of the current zoning regulations (use, lot size, improvement size, off-street parking, etc.) but is accepted by the local zoning authority, enter "Legal Non-Conforming," provide a brief explanation and state whether the property may legally be rebuilt if destroyed. • If the use is not legal, the property is not eligible for FHA mortgage insurance.
Highest and Best Use	• Mark the appropriate box. • This entry represents the highest and best use of the site, as improved, in relation to the neighborhood and current market conditions. • If the current use represents the highest and best use, mark "Yes." • If it does not, mark "No" and provide an explanation.

Field	Protocol
Utilities	• Mark either "Public" or "Other." If "Other" is marked, describe. • Public utilities mean they are governmentally supplied and regulated. • Public does not include any community systems sponsored, owned or operated by the developer or a private company not subject to government regulation or financial assistance. • Note mechanical chlorinators or water flow that decreases noticeably while running simultaneous plumbing fixtures. • Visually inspect the septic system and its surrounding area. • If there are obvious or readily observable signs of system failure, "require inspection" to ensure that the system is in proper working order. • Note: The appraiser must indicate whether a public water or sewage disposal system is available to the site. If available, connection must be made to the public or community water/sewage disposal system if connection costs are reasonable. The mortgagee will determine whether connection is feasible.
Off-site Improvements–Type	• Briefly describe the off-site improvements under "Type," enter the road surface material, and mark "Public" or "Private." For example: "Street-Asphalt; Public," or "Alley-None." • Public refers to an improvement dedicated to and accepted by a unit of government – not including HOAs.
FEMA Special Flood Hazard Area	• FEMA is responsible for mapping flood hazard areas. If the property is within an SFHA, mark "Yes." Otherwise, mark "No." • Attach a copy of the flood map panel for properties located within an identified flood hazard area.
FEMA Flood Zone	• Enter the FEMA Zone designation. Only properties within SFHAs, such as zones "A" (a special flood hazard area) and "V" (a coastal area), require flood insurance. Zones "B" "C" and "X" do not require flood insurance.
FEMA Map # and FEMA Map Date	• Enter the FEMA map number and map date. If it is not shown on any map, enter "Not Mapped."
Are utilities and off-site improvements typical for the market area?	• Mark the appropriate box indicating whether the utilities and off-site improvements are typical for the market area. • If "No" is marked, explain why the utilities and/or off-site improvement are not typical.

Field	Protocol
Any adverse site conditions or external factors	• Mark the appropriate box indicating whether there are any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.). • If "No" is marked, no comment is necessary; if "Yes" is marked, an explanation is required. • Describe any adverse site conditions or adverse factors. Consider easements affecting the functional utility of the property in the conclusions of both the highest and best use, and Market Value. For example, discuss adverse easements, encroachments, slide areas, illegal or non-conforming zoning use, etc. Consider surface, subsurface and overhead easements. • List any adverse environmental conditions, including hazardous wastes, toxic substances and others. • Explain all deficiencies that do not require repair (extreme slope, etc.) and consider them in the opinion of value. • Discuss the observations with direct relationship to value and consider them in the approaches to value.

6. Leasehold Interest/Ground Rent Section

If the property is subject to Ground Rent, the appraiser must include an analysis of the terms of the lease, including term of lease, renewal options, right of redemption, capitalization rate, date of expiration, etc. The mortgagee is responsible for ensuring that the appraiser has a copy of the deed or lease for analysis and that a copy is included in the loan file.

7. Description of Improvements Section

This section describes the subject improvements. Accurately report the conditions observed. Describe needed repairs, or the existence of any functional or external obsolescence. Enter factual information on each of the lines provided and report the conclusions. Consider all aspects of the physical description and reconcile them in the opinion of Market Value.

General Description	
Field	**Protocol**
Units	• Mark the appropriate box indicating number of units.
Accessory Unit	• A two- to four-unit dwelling with an accessory unit is ineligible for FHA financing.

General Description	
Field	**Protocol**
# of Stories	• Enter the year above grade, including half stories. • Format required is Numeric, to 2 decimal places. • Do not include the basement.
# of Buildings	• Enter the number of buildings.
Type	• Mark the box that identifies the type of dwelling: “Det.” (Detached); “Att.” (Attached); “S-Det.” (Semi-Detached); or “End Unit” (end unit of a group of row houses or townhouses).
Stage of Construction	• Mark the box signifying the stage of construction: “Existing,” “Proposed” or “Under Construction.” • Properties that are either Proposed or Under Construction require plans, a builder’s certification, and specifications for the appraiser to review.
Design (Style)	• Enter a brief description of the house design style using historical or contemporary fashion. For example: Cape Cod, bi-level, split level, split foyer, colonial, town house, row house, etc. • Do not use the builder's model name. • Avoid generic descriptions such as traditional or conventional.
Year Built	• Insert the year the subject was completed. • Format required is YYYY • For under construction or proposed construction Enter Current Year (New FHA Specific Requirement)
Effective Age (Yrs.)	• Enter the effective age of the improvements as a number only. Do not enter text. Example: 25 • A range is acceptable. Do not enter text. Example: 15-20 • The effective age reflects the condition of the property relative to similar competitive properties. • The effective age may be greater than, less than or equal to the actual age. • Note any significant difference between the actual and effective ages and explain in the “condition of property” comments section.

a. Reporting Requirements for Attic

The appraiser is required to inspect the attic. Enter the attic and observe the interior for insulation, ventilation (fan, vent, window), and condition of roof structure. Note any deficient materials, leaks or readily observable evidence of significant water damage, structural problems, previous fire damage, exposed and frayed wiring, or any other health and safety deficiencies. If any

deficiencies exist, condition the appraisal on their repair or inspection and prepare the appraisal "subject to repairs" and/or "subject to inspection."

Attic Description	
Field	**Protocol**
None	Enter "X" if there is no attic.
Drop Stair	Enter "X" if this item exists.
Stairs	Enter "X" if this item exists.
Floor	Enter "X" if this item exists.
Scuttle	Enter "X" if this item exists.
Finished	Enter "X" if this item exists.
Heated	Enter "X" if the attic is heated.

b. Foundation

The appraiser is required to inspect the foundation and basement. The appraiser must address all visible deficiencies and may require a recommendation for an inspection. Consider deferred maintenance and physical deterioration in the valuation process.

c. Basement

Generally, the basement may be partially or completely below grade (ground level). Do not count the basement in the finished GLA at the grade level. The information provided must be consistent with the description in the "Foundation" section. If the basement is finished and has a grade walk out entrance, count square foot GBA.

Foundation	
Field	**Protocol**
Concrete Slab	• Mark this box if any part of the foundation system has a concrete slab.

Foundation	
Field	**Protocol**
Crawl Space	• Mark this box if any part of the foundation system has a crawl space. • Access to the space should be clear. Examine the crawl space for inadequate access (minimum entry of the head and shoulders). • Check the distance from the bottom of floor joists to ground. • Space should be adequate for maintenance and repair. • A minimum distance of 18 inches from the ground to the bottom of the joists is highly recommended but not mandated. • Check for insulation and ventilation or for any structural problems. • The support beams should be intact and of structural soundness.
Full Basement	• Mark this box if there is a full basement.
Partial Basement	• Mark this box if there is a partial basement. • If checked “yes”, at least one other foundation type must be checked
Cellars or Limited Basement Areas	• For a dirt basement floor, determine whether such a property is typical for the area and is readily marketable. • If so, it is not required that a concrete basement floor be installed. • Mechanical equipment, however, must be located on a concrete pad.
Basement Area Sq. Ft	• Enter the square footage of the basement area using exterior dimensions.
Basement Finish %	• Enter the percentage of basement (figure above) that is finished.
Outside Entry/Exit	• Mark this box only if there is an outside entry/exit, otherwise leave blank. • If there is an entry, verify functionality.
Sump Pump	• Mark this box only if there is a sump pump, otherwise leave blank.

Foundation	
Field	**Protocol**
Evidence of Infestation	• Mark this box if there is evidence of infestation, including the house and/or other Structures within the legal boundaries of the property, otherwise leave blank. • Examine the subject property for readily observable evidence of wood boring insects. • Do not require a pest inspection based solely on the age of a property. • Inspections are necessary whenever there is evidence of decay, pest infestation, suspicious damage or when it is customary to the area or required by state law.
Evidence of Dampness	• Mark this box if there is evidence of dampness, otherwise leave blank. • Examine the foundation/basement for dampness or readily observable evidence of water damage. • Signs of past water problems may include efflorescence, mold, mildew or stains on walls or mechanical equipment. • Basement or crawl space area must not have excessive dampness or ponding of water. • If any of these inadequacies exist, condition the appraisal “subject to repairs” to correct the condition, or “subject to inspection” to determine the source of the problem and corrective measures necessary by a qualified party.
Evidence of Settlement	• Mark this box if there is evidence of settlement, otherwise leave blank. • Examine foundation for readily observable evidence of settlement. • Hairline step-cracks are common; however, horizontal cracks, bulging walls or separation of sill plate from the top of the foundation wall are critical and require inspection.

d. Mechanical Systems

An appraiser must examine the mechanical, plumbing and electrical systems of the subject property to ensure that they are in proper working order. This examination entails turning on the applicable systems and observing their performance. Electrical, plumbing and/or heating/cooling certifications may be called for by the appraiser when they cannot determine if one or all of these systems are working properly. An appraiser should not arbitrarily call for such certifications. However, the appraiser is still responsible for checking the functionality of these systems at the time of appraisal. Note the type of heating and cooling for each unit, if different.

Heating and Cooling Systems	
Field	**Protocol**
Heating	• Enter an "X" in the box indicating the type of heating system: "FWA" (forced warm air), "HWBB" (hot water baseboard), "Radiant" or "Other." • If "Other" is marked, provide a brief description, e.g., EBB (for electric baseboard). • Turn on the furnace/heating system to test functionality, weather permitting, and that no unusual noises are heard, no odors or smoke are emitted indicating a defective unit, etc. • DO NOT operate the systems if doing so may damage equipment or when outside temperatures will not allow system to operate. • Note significant holes/deterioration on the unit. • Turn on the hot water to ensure that the water heater is operating appropriately.
Fuel	• Enter the type of fuel used: coal, gas, oil, propane, electric, etc.
Cooling	• Enter an "X" in the box indicating the type of cooling system: "Central Air Conditioning," "Individual" or "Other." • If "Other" is marked, provide a brief description, e.g., permanently affixed fans, zoned air-conditioning, etc. • Turn on the air conditioning system to test functionality, weather permitting, and that no unusual noises are heard, no odors or smoke are emitted indicating a defective unit, etc. • DO NOT operate the systems if doing so may damage equipment or when outside temperatures will not allow system to operate. • Note significant holes/deterioration on the unit.

e. Exterior Materials/Condition

Enter the types of materials and rate the observed condition of the materials (Good, Average, Fair, and Poor). Describe and explain in detail "Fair" and "Poor" ratings and whether or not the item(s) described require repair, replacement or further inspection. The rating must relate to the habitability of the house given local standards (photographic documentation of property condition is always advisable).

Exterior Description Materials/Condition	
Field	**Protocol**
Foundation Walls	• Enter the material type: poured concrete, block, brick, stone, treated wood, etc. and rate the observed condition.
Exterior Walls	• Enter the material type: aluminum, vinyl or wood siding, brick veneer, stucco, stone, etc. • If a combination of materials, show the predominant portion first and rate the observed condition.
Roof Surface	• Enter the material type: poured concrete, block, brick, stone, treated wood, etc. and rate the observed condition. View the roof from ground level to determine if the integrity of the roof is sufficient. • If the roof is otherwise unobservable, look for telltale signs of roof problems on the interior such as damage to or water stains on the ceiling area of a room or closet. • Observe roof coverings, roof drainage systems, flashing, skylights, and chimneys for readily observable evidence of leakage or abnormal condensation on building components. • Note any evidence of deterioration of roofing materials (missing tiles, shingles, flashing). • Deteriorated roofing materials include those that are worn, cupped, or curled. • The appraiser must note in the appraisal that they could not adequately observe the entire roof area (state which area(s) were unobservable). • Based on the information reported by the appraiser, the underwriter will determine whether a roofing inspection is required.
Gutters and Downspouts	• Enter the material type: galvanized, aluminum, plastic, vinyl, PVC, etc. and rate the condition observed.
Window Type	• Enter the window type: double hung, single hung, casement, sliders, etc. and identify the window frame material: wood, aluminum, steel, vinyl, etc. • Rate the condition observed. • Bedroom windows with security bars require a quick release mechanism for emergency egress. If not so equipped, condition the appraisal on a “required repair.”
Storm Sash/ Insulated	• Describe storm sash material or state if windows are double glazed, etc. or a combination of the two. • Rate the condition observed. • If none, so state.
Screens	• Describe style (full, half, none) and rate the condition observed.

A brief description of an amenity may include its material type and/or size and/or dimensions.

Amenities	
Field	**Protocol**
Fireplace(s) #	Enter "X" if this amenity exists and provide a specific number.
Woodstove #	Enter "X" if this amenity exists and provide a specific number.
Patio/Deck	Enter "X" if this amenity exists. Describe material/type in "Additional features."
Fence	Enter "X" if this amenity exists. Describe material/type in "Additional features."
Pool	Enter "X" if this amenity exists. Describe in "Additional features." Specify whether in-ground or aboveground. Aboveground pools are considered Personal Property and are not to be included in the value.
Porch	Enter "X" if this amenity exists. Describe the material/type in "Additional features."
Other	Enter "X" if this line is used to report another amenity or salient feature not listed above that has Contributory Value. Describe "Other" in "Additional features." Be sure to compare the subject and comparable sales in relation to that amenity or feature and make the appropriate adjustments.

f. Interior Materials/Condition

Enter the types of materials and rate the observed condition of the materials (Good, Average, Fair, and Poor) and whether or not the item(s) described require repair, replacement or further inspection. Describe and explain in detail "Fair" and "Poor" ratings.

The rating must relate to the habitability of the house given local standards (photographic documentation of property condition is always advisable). If the condition of materials varies significantly between the different units, address each unit separately. Use the "Additional Comments" section on page 4 if necessary.

Interior Materials/Condition	
Field	**Protocol**
Floors	• Enter the material type: tile, hardwood, carpet, etc. and rate condition observed.
Walls	• Enter the material type: plaster, drywall, paneled etc. and rate condition observed.
Trim/Finish	• Enter the material type: wood, metal, vinyl and rate condition observed.
Bath Floor	• Enter the material type: ceramic tile, vinyl, carpet and rate condition observed.

Interior Materials/Condition	
Field	**Protocol**
Bath Wainscot	• Enter the material type that protects walls from moisture: ceramic tile, fiberglass, etc. and rate condition observed.

g. Car Storage

Field	Protocol
None	• If the property does not have a garage, carport or driveway, mark "None."
Driveway # of Cars	• If applicable, mark the box and enter the number of cars that can be parked. Whole numbers only • A single lane driveway is considered a one-car driveway. • It would be considered a two-car driveway if either car can be moved without disturbing the other.
Driveway Surface	• Enter the surface type: concrete, gravel, macadam, etc., if none, so state.
Garage # of Cars	• Enter the number of cars the structure can accommodate. Whole numbers only
Carport # of Cars	• Enter the number of cars the structure can accommodate. Whole numbers only
Garage/Carport Type	• If there is a garage, designate whether it is: "Attached," "Detached," or "Built-in." • Enter an "X" in the box(es) indicating the style "Att.," "Det.," or "Built-in."

h. Appliances

Field	Protocol
Refrigerator	• Enter the number of refrigerators; enter 0 if none.
Range/Oven	• Enter the number of ranges/ovens; enter 0 if none.
Dishwasher	• Enter the number of dishwashers; enter 0 if none.
Disposal	• Enter the number of disposals; enter 0 if none.
Microwave	• Enter the number of microwaves; enter 0 if none.
Washer/Dryer	• Enter the number of washers/dryers; enter 0 if none.

Field	Protocol
Other	• Enter "X" for any other appliances not listed above and describe. • Do not include personalty. • Enter "none" if applicable.

i. Gross Living Area for the Units

The GLA is obtained by drawing an imaginary line on the outside perimeter walls of each unit (similar to the method used to measure a single-family dwelling). Do not include attic or basement areas that may be assigned to a unit.

j. Gross Building Area (GBA)

The GBA is the total finished area (including common areas – hallways, interior stairways, etc.) of the improvements, above and below grade, based upon exterior measurements. Use the same method for calculating the GBA of comparable sales and rentals.

k. Unit Room Count and Gross Living Area

Field	Protocol
To complete this section	• Enter, for each unit, the total number of rooms, the total number of bedrooms, and the total number of bathrooms. • Enter the total square footage of the GLA for each unit. • If a unit is located in the basement but has a walkout at grade entrance, include it in the GBA.

l. Narrative Comments

The completion of this section is critical to the opinion of Market Value. The appraiser must discuss all adverse conditions and observed physical and functional deficiencies noted. If necessary, use the "Additional Comments" section of the form report, or an addendum, for additional discussion or description.

Field	Protocol
Additional Features	• Use this space to describe special energy efficient features such as solar energy or geothermal systems and/or to further describe the additional features.

Field	Protocol
	• Please elaborate on any special or unusual aspects of items, e.g., a gas fireplace or wood burning fireplace, in-ground pool, etc.
Condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.)	• Describe any physical deterioration and/or functional or external depreciation noted in or on the property. • UAD requires the Overall Condition Type, Update within the Last Fifteen Years Indicator, and Improvement Area Type. • Provide a conclusion as to the overall condition of the improvements that is supported by the previous descriptive sections. • FHA requires the appraiser to list deficiencies and/or lack of compliance with MPS or MPR. • The reported property condition must be consistent with the reconciled condition of the appraisal. If the appraisal is completed subject to repair, the reported condition is the condition of the property "as repaired."
Physical deficiencies or adverse conditions	• Enter an "X" in the applicable box indicating whether or not there are any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property. • If the response is "No," no explanation is required or needed. • If the response is "Yes," a full and detailed explanation is required and, if necessary, condition the appraisal on the "repair or alteration of the condition" or a "required inspection" by appropriately qualified individuals or entities, which may include professional engineers, tradespersons, or HUD fee inspectors. **Lead-Based Paint Hazard** • If the house was built before 1978, this may indicate a lead paint hazard. • For all FHA-insured properties, correction is required to all defective paint in or on Structures and/or property improvements built before January 1, 1978 in accordance with 24 CFR Part 35. • Observe all interior and exterior surfaces, such as walls, stairs, deck porch, railing, windows or doors for defective (chipping, flaking or peeling) paint. (Exterior surfaces include surfaces on fences, detached garages, storage sheds and other outbuildings and appurtenant structures). • Note any areas affected (be specific), provide photographs, and condition the appraisal on repair.

Property conformity	• Enter an "X" in the applicable box indicating whether or not the subject generally conforms to the neighborhood (functional utility, style, condition, use, construction, etc.). • If the response is "Yes," no explanation is required or needed. • If the response is "No," a full and detailed explanation is required.
Subject to Rent Control	• Enter an "X" in the applicable box indicating whether the property is subject to rent control. • If "Yes," indicate the ceilings on rent and any other pertinent controls.

8. Comparable Rental Data Section

The appraiser is required to report information on the subject and three comparable rental properties. Ideally, the properties used for comparable rentals will not be the same as those used in the "Sales Comparison Analysis."

Enter factual data in each field or line. The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. The analysis is intended to support the opinion of market rent for the subject property.

Field	Protocol
Address	• Enter the address that can be used to locate each property. • Enter the community, if needed, to identify the property. • For rural properties, list the location by road name, nearest intersection and side road.
Proximity to Subject	• Enter the proximity in straight-line distance and direction. For example, "1.5 miles NE" or "3 blocks south." • If the distance from the subject is more than a generally accepted distance, or located outside the defined neighborhood boundaries, be sure to explain why the sale is applicable in the "Summary of Sales Comparison Approach" section.
Current Monthly Rent	• Enter the current monthly rent for the subject and each of the comparable rentals.
Rent/Gross Bldg. Area	• Enter the rent/GBA for the subject and each of the comparable rentals.
Rent Control	• Enter an "X" in the applicable box indicating rent control or not.
Data Source(s)	• Enter the data source(s) used for sales and property information.
Date of Lease(s)	• Enter the date of lease for each of the subject units as well as the comparable rentals.

Field	Protocol
Location	• Enter the neighborhood name that is commonly used to refer to the property's location. • Location adjustments may be warranted for positive or negative factors that influence market rent, such as a busy street versus a quiet street. • Explain any adjustments made in this area.
Actual Age	• Enter only the actual age of the subject and each comparable rental.
Condition	• Enter the condition of the subject and comparable rental. • Ratings to be used are "New," "Good," "Average," "Fair," and "Poor," or a combination, if more accurate. Differences in condition resulting in adjustments must be explained. The explanation must be specific. It is not sufficient to simply state that "adjustments for condition are based on observations" or "based on descriptions provided in MLS." • If the appraisal is completed "subject to repairs," the subject's condition rating, and corresponding adjustments must be based on the repairs as completed.
Gross Building Area	• Enter the total GBA for the subject and each comparable.
Unit Breakdown	• Enter the total room count, number of bedrooms, number of baths and size for each unit in the subject. • Enter the total room count, number of bedrooms, number of baths, size in square feet, and the monthly rent for each unit in each of the three comparable rentals. • Enter the room count, total square footage and monthly rent for each of the comparable rentals.
Utilities included	• Indicate which utilities, if any (electric, water, heat, etc.), are included in the rent for the subject and the comparable rentals.
Analysis of rental data and support for estimated market rents	• Provide analysis of rental data collected. • Provide support for estimated market rents for the subject units. • Discuss the adequacy of the comparable rentals. • Address rental concessions if applicable.

9. Subject Rent Schedule Section

The appraiser is required to report information on the subject leases and provide an opinion of market rent.

a. Rent Schedule

The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

Rent Schedule	
Leases	• Provide the starting and termination dates of the leases for each unit of the subject. • Provide comments on lease data, i.e., terms and conditions.
Actual Rent	• Enter the rent for each unit, unfurnished or furnished, and then the total rent.
Total Actual Rent	• Enter the total actual monthly rent for all units.
Other Income	• Enter any other monthly income. • Itemize this information in the comments section below.
Total Actual Income	• Enter the total actual monthly income.
Opinion of Market Rent	• Enter the opinion of market rent for each unit, unfurnished and furnished, and then the total rent.
Gross Monthly Rent	• Enter the total estimated market rent for all units.
Other Income	• Enter any other monthly income. • Itemize this information in the comments section below, e.g., coin operated washers and dryers, garage rented for storage, etc.
Total Est. Income	• Enter the total estimated monthly income.
Utilities included in estimated rents	• Enter an “X” in the box indicating the applicable utility items included in the rent. • If the “Other” box is marked, describe.
Comments on actual or estimated rents	• Provide comments on actual or estimated rents and other monthly income (including Personal Property) such as itemizing other monthly income, and differences, or lack thereof, between actual rent and market rent.

10. Prior Sale History Section

Field	Protocol
Research sale or transfer history of subject & comps	• Enter an "X" in the applicable box indicating whether the appraiser "did" or "did not" research the sale or transfer history of the subject property and comparable sales. If not, provide explanation. • A property's location in a "non-disclosure state" does not remove the appraiser from the requirement to research, report, and analyze the prior sale history of the subject and comparable properties.
Research prior sales or transfers of subject property	• Enter an "X" in the applicable box indicating whether the appraiser's research "did" or "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)	• Enter the data source(s) used for sale and transfer information. • Appraisers are to be familiar with the data source(s), i.e., how the data is gathered and how often it is updated.
Research prior sales or transfers of comparable sales	• Enter an "X" in the applicable box indicating whether the appraiser's research "did" or "did not" reveal any prior sales or transfers of the comparable sales for the three year prior to the date of sale of the comparable sale per the requirements of the form. • FHA requires the appraiser to report the date(s) and price(s) of prior sale(s) that occurred within three years of the effective date of the appraisal. (FHA Specific Requirement).
Data Source(s)	• Enter the data source(s) used for sales and transfer information. • Two sources are recommended for researching prior sales and transfers: local MLS and local public records at a minimum. • Appraisers must be familiar with the data source(s), i.e., how the data is gathered and how often it is updated.

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 in the "Additional Comments" section or an addendum).

Field	Protocol
Date of Prior Sale/Transfer	• Report the date(s) of prior sale(s) or transfer(s) of the subject that occurred within three years of the effective date of the appraisal.

Field	Protocol
Price of Prior Sale/Transfer	• Report the price of the prior sale(s) or transfer(s) of the subject that occurred within three years of the effective date of the appraisal. • FHA requires the appraiser to report the date(s) and prices of prior sale(s) that occurred within three years of the effective date of the appraisal.
Data Source(s)	• Identify the data source(s) used.
Effective Date of Data Source(s)	• Enter the date the data was published or updated by the source for the subject and comparable sales. • For example, the local MLS may update their database multiple times during the week or month whereas property transfers recorded at the local land records office may take six or eight weeks after settlement. • The property transfer records may have an effective date that is eight weeks earlier than the appraisal date and the MLS data is within one week of the appraisal date.
Analysis of prior sale or transfer history of subject and comparable sales	• Report the date(s) of prior sale(s) or transfer(s) of the subject that occurred within three years of the effective date of the appraisal. • Report the date(s) of prior sale(s) or transfer(s) of each comparable that occurred within three years of the effective date of the appraisal. (FHA Specific Requirement). • Report prior transfers regardless of conveyance type or consideration amount. If the prior transfer or offering is not relevant to the current transaction or offering, explain why. • For new construction, include any prior transfers of the land as vacant. • If the properties are located in a “non-disclosure state,” the appraiser is responsible for reporting the information that is reasonably obtainable. • Report the analysis of prior sale or transfer history of the subject and comparable properties. • The appraiser must evaluate the relevancy of prior transfers to the current sale or offering of the comparable. • The appraiser must describe the difference between recent transfers versus the current sale or offering, and the effect on the appraisal problem. • The appraiser must provide an analysis of the prior sale or transfer history of the subject property and comparable properties in the report. Simply reporting a transaction is not a sufficient analysis or explanation to the reader. • FHA recognizes the limitations of form reports and the UAD format. If multiple prior transactions exist for the same property within three years prior to the effective date of the appraisal, the appraiser must analyze and report those prior transactions.

11. Sales Comparison Approach Section

The appraiser is required to report the number of comparable properties currently offered for sale, as of the effective date of the appraisal, and the number of comparable sales in the subject neighborhood, within 12 months of the effective date of the appraisal, in this section. Unlike the neighborhood price data, which includes all sales, this section focuses only on those properties that are comparable to the subject, not the universe of sales.

If there was difficulty in locating comparable properties, e.g., the subject is a four-unit property and one or more of the comparable properties was a two- or three-unit property, etc., then for the purposes of this section, all such properties in the subject's neighborhood are to be treated as comparable and counted.

Field	Protocol
Comparable properties offered for sale	• Enter the number of comparable properties currently offered for sale, including those under contract, within the subject neighborhood together with the price range.
Comparable sales	• Enter 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.
Address	• Enter the address that can be used to locate each property. • Enter the community, if needed, to identify the property. • For rural properties, list the location by road name, nearest intersection and side road.
Proximity to Subject	• Enter the proximity in straight-line distance and direction. For example, "1.5 miles NE" or "3 blocks south." • If the distance from the subject is more than a generally accepted distance, or located outside the defended neighborhood boundaries, be sure to explain why the sale is applicable in the "Summary of Sales Comparison Approach" section.
Sale Price	• Enter the contract price of the subject if applicable. • Enter the purchase price for each of the comparable sales. • If a comparable is an active listing, enter its list price and comment that it is an active listing. • If a comparable is a listing with a contract pending, enter the contract price if known. If not known, enter its list price and comment that the price noted is the list price and not the contract price.
Sale Price/Gross Bldg. Area	• Enter the price per square foot of the GBA for the subject, if a purchase transaction, and each comparable sale.

Field	Protocol
Gross Monthly Rent	• Enter the gross monthly rent for the subject property and each comparable sale.
Gross Rent Multiplier	• Enter the GRM for the subject property and each comparable sale. • A manual check on the software calculations is recommended to test for accuracy as the appraiser is responsible for the data contained in the report (use the sale price divided by the gross monthly rent).
Price Per Unit	• Enter the price per unit for the subject property and each comparable.
Price Per Room	• Enter the price per room for the subject property and each comparable.
Price Per Bedroom	• Enter the price per bedroom for the subject property and each comparable.
Rent Control	• Enter an "X" in the box indicating whether there is rent control or not.
Data Source(s)	• Enter the data source(s) used for the sales and property information for each comparable.
Verification Source(s)	• Enter the verification source(s): the document or party from which the additional proof was obtained. • MLS by itself is not considered a verification source. • Contacting someone with first-hand knowledge of the transaction (agent, broker, buyer, seller, etc.) especially where it involves confirmation of seller concessions is the preferred method of verification. • A single source may be used if the quality of data is such that sales data are confirmed and verified by settled transactions. • Information provided must permit the reader of the report to locate the data from the source cited. • Do not use market data sales that are not verified and adjusted to reflect the terms and conditions of sale.

a. Value Adjustments

Adjustments are made to the price of the sale properties for price-influencing dissimilarities between each sale and the subject property. Not all dissimilarities require adjustment because not all dissimilarities achieve price differentials in the market. All adjustments must be extracted from and supported by the actions of the market.

For each adjustment item, enter the description of the adjustment and whether it is an upward or downward adjustment. Do not make an adjustment unless it has a material effect on value. Make adjustments only if the dissimilarity has a noticeable effect on the value. Small differences do not usually require adjustments.

Value Adjustments	
Field	**Protocol**
Sales or Financing Concessions	• Report the type of financing such as conventional, FHA or VA, etc. • Report the type and amount of sales concession for each comparable sale listed. If no concessions exist, the appraiser must note "none." • The appraiser is required to make market-based adjustments to the comparable sales for any sales or financing concessions that may have affected the sales price. • The adjustment for such affected comparable sales must reflect the difference between the sales price with the Sales Concessions and what the property would have sold for under typical market conditions.
Date of Sale/Time	• Enter the date of settlement. Formatting may show this as month and year. • Enter the date of contract. Formatting may show this as month and year. • Time adjustments, if any, must be supported by the market and be consistent with the neighborhood market conditions noted. • Show both the contract date and date of settlement. Time adjustments must be calculated using the contract date (meeting of the minds) rather than the date of settlement. Explanation is required for any time adjustments.
Location	• Enter the name of the subdivision or PUD. If none is applicable, enter the neighborhood name that is commonly used to refer to the property's location. • If a location adjustment is warranted for positive or negative factors that influence sales price (such as a busy street versus a quiet street), enter the adjustment. • Explain any adjustments made in this area.
Leasehold/Fee Simple	• State whether the property was sold as Fee Simple or as a Leasehold Estate. • An adjustment is required if the estate differs from the rights appraised for the subject property. • Adjust for difference between the comparable properties and the subject based on Fee Simple versus Ground Rent if applicable. • Adjust for differences between the comparable properties and the subject based on differences in terms of Ground Rent if applicable.

Value Adjustments	
Field	**Protocol**
Site	• Enter the site size. • Make adjustments only for measurable differences. • Small differences in lot sizes do not usually call for an adjustment if the size is typical. • If necessary, consider the possibility of Excess or Surplus Land.
View	• Describe the view from the site, e.g., similar housing, commercial area, water view, scenic view, etc. Such terms as "Average" or "Good" are only to be used as adjuncts, e.g., "Residential/Average," "Water view/Good." • Make adjustments only if the view is superior or inferior to the subject. • If the subject has a superior view and adjustments are made, a photograph of the view amenity is required.
Design (Style)	• Enter the style according to a description used by local market expectations. • Be consistent with the improvement description.
Quality of Construction	• Enter "Good," "Average," "Fair," etc. using the quality rating from the appraiser's cost service subscription or provider. • Differences in quality resulting in adjustments must be explained. An explanation must be specific. It is not sufficient to simply state that "adjustments for quality are based on observations" or "based on descriptions provided in MLS." • Adjustments may be warranted for construction quality and must be explained.
Actual Age	• Enter only the actual age of the subject and each comparable property.
Condition	• Enter the condition of the subject and comparable sales. • Ratings to be used are: "New," "Good," "Average," "Fair," and "Poor," or a combination if more accurate. • Differences in condition resulting in adjustments must be explained. The explanation must be specific. It is not sufficient to simply state that "adjustments for condition are based on observations" or "based on descriptions provided in MLS." • If the appraisal is completed "subject to repairs," the subject's condition rating, and corresponding adjustments, must be based on the repairs as completed.
Gross Building Area	• Enter the total GBA for the subject and each comparable.

Value Adjustments	
Field	**Protocol**
Unit Breakdown	• Enter the room count per unit, consistent with the description of improvements on the front of the form. • Enter the room count for the units in each of the comparable sales and make adjustments where warranted. • Explain adjustments in the "Summary of Sales Comparison Approach" section.
Basement Description	• Enter a description of the basement, total square footage of basement area and/or enter percentage of basement in relation to the first floor area, or enter full, partial, or none.
Basement Finished Rooms	• Enter the type of rooms below grade: bedroom, recreation room, laundry, full bath, etc. • Make sure adjustments made here do not duplicate adjustments in GBA or elsewhere.
Functional Utility	• Enter "Equal," "Superior," or "Inferior" as a total of the items rated in the "Improvement" analysis compared to the subject. • Use the "Summary of Sales Comparison Approach" section to explain differences. • Adjust for functional obsolescence observed in the subject and not found in the comparable properties.
Heating/Cooling	• Enter the type of heating and cooling systems, e.g., "Gas," "FWA," "CAC." • Any adjustment for differences in heating and cooling systems must be based on market expectations.
Energy Efficient Items	• Describe energy efficient items: storm windows and doors, solar installations, replacement windows, etc., and enter an adjustment for differences if warranted. If none, so state.
Parking On/Off- Site	• Enter a description of on/off-site parking. Calculate adjustments in accordance with market acceptance of on/off-site parking.
Porch/Patio/Deck	• Enter these features for the subject and comparable sales if they exist. Base any adjustments on local market expectations.
Blank Lines	• Three blank lines are provided for the appraiser's use to describe additional amenities, features or individual characteristics not listed or addressed elsewhere in the sales grid, e.g., a woodstove, fireplace, fencing, pool or other. • Enter appropriate adjustments. For example, a pool located in an area that expects pools might bring a dollar premium in comparison to a comparable without a pool.

Value Adjustments	
Field	**Protocol**
Net Adjustment (Total)	• Mark either the [+] or [-] box to indicate if the total net adjustments will increase or decrease the value and note by how much. • If the adjustment exceeds preferred guidelines, review the comparable properties to determine if the best ones were selected and the adjustments were appropriately applied. If the total adjustments appear disproportionate in relation to the price, the appraiser must reexamine the relevance of that sale and the magnitude of the adjustments.
Adjusted Sale Price of Comparable Properties	• Total all of the adjustments and add them to or subtract them from the sales price of each comparable. Preferred underwriting guidelines indicate that adjustments should not exceed 10% for line items, 15% for net adjustments and 25% for gross adjustments in an active marketplace. • If any adjustments exceed stated guidelines, an explanation must be provided.
Adjusted Price Per Unit	• Enter the adjusted price per unit for each comparable sale (adjusted sale price divided by number of units).
Adjusted Price Per Room	• Enter the adjusted price per room for each comparable sale (adjusted sale price divided by number of rooms).
Adjusted Price Per Bedroom	• Enter the adjusted price per bedroom for each comparable sale (adjusted sale price divided by number of bedrooms).
Value Per Unit	• Enter the adjusted price per unit and multiply by the number of units = estimated value.
Value Per GBA	• Enter the price per gross square foot of building area and multiply by the gross square feet of building = estimated value.
Value Per Room	• Enter the adjusted price per room and multiply by the number of rooms = estimated value.
Value Per Bedroom	• Enter the adjusted price per bedroom and multiply by the number of bedrooms = estimated value.

Value Adjustments	
Field	**Protocol**
Summary of Sales Comparison Approach	• Explain the comparable selection and any necessary explanation of adjustments. • Explain any adjustments exceeding guidelines. • The appraiser must reconcile the above value indicator(s) and comment which were given most consideration and why. • Explain the thought process used to reconcile the range of adjusted sale prices into a single indication of value. The summary must generally reflect on the degree of comparability of each comparable sale to the subject. This may include discussion of the relative size of gross and net adjustments, date of sale, location, design, or other pertinent characteristics. • The value indicated by the sales comparison approach must be consistent with the appraiser's reasoning.
Indicated Value by Sales Comparison Approach	• Enter the indicated value by sales comparison approach.

12. Income Approach Section

If the market contains sufficient data for this approach to be relevant, then the income approach must be completed. Properties containing two to four Dwelling Units typically are more affected by their potential investment value than one-unit dwellings purchased for their amenity value.

Income Approach To Value	
Field	**Protocol**
Development of the Income Approach	• Enter the subject's estimated market rent (calculated on that section of the report). • Develop the GRM from general market data. • If the market derived GRM is not found within the range of GRM factors demonstrated by the comparable sales, reconcile and explain why there is a difference. • Multiply the market rent by the GRM to estimate the Market Value for the subject based on the income approach.

Income Approach To Value	
Field	**Protocol**
Summary of Income Approach	• Provide support for the market rent and GRM if developed.
Income Approach	• If not developed, enter "N/A" in each blank field in this section of the report.

If this approach was not developed or included in the report, the appraiser must provide a reason why this approach was not utilized and report whether the lack of this approach adversely affects the credibility of the appraisal.

13. Reconciliation Section

The appraiser must consider all appropriate approaches to value and all information relevant to the subject property and the market conditions in the opinion of Market Value.

If there is insufficient space in the "Reconciliation" section to list and describe any "repairs, alterations or required inspections" noted, then the appraiser is instructed to insert a reference in the "Reconciliation" section, "see Additional Comments section on the next page," and then list and describe the items under the heading "Repairs, Alterations, Required Inspections." If necessary, due to space limitations, use an addendum with the same heading.

Field	Protocol
Indicated Value by:	• Enter the "Indicated Value" for each of the approaches to value developed. If the approach was not developed, enter "ND or "Not Dev." for not developed. • Reconcile the approaches to value with a brief description of the validity of each approach with respect to the appraisal assignment.

a. Conditions of Value Estimate

When...	Then the appraisal should be rendered...
• there is/are no repair(s), alteration(s) or inspection conditions noted by the appraiser; • establishing the As-Is value for a 203(k); • the property is being recommended for rejection; • the intended use is for Pre Foreclosure Sales (PFS) in accordance with 24 CFR 203.370 or CWCOT @ 24CFR 203.368; or • the intended use is for Pre-Foreclosure, Foreclosure, or REO.	"As-is"
• the subject is Proposed Construction where construction has not started; • the subject is Under Construction but not yet complete (less than 90%); or • the mortgage type is a standard or limited 203(k) when scope of work includes new construction or addition.	"Subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed"

• the repair or alteration condition(s) noted by the appraiser to:
  ○ protect the health and safety of the occupants;
  ○ protect the security of the property; and/or
  ○ correct physical deficiencies or conditions affecting structural integrity;
• the mortgage type is a standard or limited 203(k) when scope of work does not include new construction or addition.
• Under Construction, more than 90% complete with only minor finish work remaining (Borrower preference items e.g., floor coverings, appliances, fixtures, landscaping, etc.). This eliminates the need for plans and specifications.
	"Subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed"

• required inspection(s) are noted by the appraiser.	"Subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair"

When...	Then the appraisal should be rendered...
• required appraisal conditions.	Enter the required completion, repairs, alterations, or inspections. Detailed explanations of each must be provided in the "Additional Comments" section or the addendum.

More than one box may be marked depending on the assignment and property conditions.

If repairs or alterations are required, the appraiser must indicate the extent of repairs and note this in the appropriate section of the appraisal, in the "Additional Comments" section, or in an addendum under the heading of "Reconciliation – Required Repairs," listing the repairs noted together with an estimated cost to cure.

The appraiser must indicate the reasoning for any required inspections and note this in the appropriate section of the appraisal, in the "Additional Comments" section, or in an addendum under the heading of "Reconciliation – Required Inspection," listing the required inspections.

The value "subject to completion per plans and specifications," "subject to the following repairs or alterations," or "subject to the following required inspection" must be consistent with the subject property condition(s) described in the corresponding section of the report.

Section	Instructions
Opinion of Market Value	Enter the opinion of Market Value.
Final Reconciliation	Reconcile the three approaches to value with a brief description of the validity and relative strength of each approach with respect to the appraisal assignment.
Date of Value	Enter the date when the property was inspected.

14. Additional Comments Section

These comment lines provide additional space for the appraiser to fully describe any item, area or condition where the commentary exceeds the space provided in other sections of the report. It is recommended that any information carried forward to the "Additional Comments" section, or an addendum if needed, follow the sequence of the form with a proper heading identifying said section.

For example, the "Neighborhood Market Conditions" comments exceed the space provided on the form. In that case, on page 1 in "Neighborhood Market Conditions" enter "See additional comments;" in the "Additional Comments" section enter the heading "Neighborhood Market Conditions" and provide the narrative in this section. Follow the same procedure for any section of the report where commentary exceeds the space provided. This will provide the reader with the proper identification and linkage of additional comments together with a logical flow of information in a standardized reporting format.

15. Cost Approach Section

If the subject property is New Construction Less than One Year Old, or the cost approach is recognized in the market as a basis for pricing, the appraiser may complete the cost approach; however, it is not required for an FHA appraisal. If, however, the subject is a unique property, has specialized improvements, is Manufactured Housing, or the client requests the cost approach be completed, then the cost approach is required and must be completed. The square foot method is to be used.

State the "Remaining Economic Life" as a single number or as a range. This line must be completed for every FHA appraisal whether or not the cost approach is completed. An explanation is required if the remaining economic life is less than 30 years.

Field	Protocol
Support for opinion of site value	• Provide a description of the method used to estimate site value. • If the comparable sales were utilized, provide a summary and analysis of the land sales. • If an alternative method of estimating site value was utilized, such as extraction, allocation, land residual, or Ground Rent capitalization, describe the method utilized and the analysis and support for the conclusion.
Reproduction or Replacement Cost	• Mark the box indicating which cost estimating method was used. • "Reproduction Cost" – exact duplicate with all deficiencies and obsolescence • "Replacement Cost" – cost at current prices with equivalent utility

Field	Protocol
Source of Cost Data	• Provide the name of the cost service. • If it is an electronic version, provide the source and date. Upload as an exhibit into the report when available. • If it is a paper version, provide the page numbers of cost tables or factors. The reviewer or reader should be able to replicate.
Quality Rating	• Enter the quality rating of the cost tables or factors referenced.
Effective Date	• Enter the edition and date of latest updates referenced.
Comments	• Describe how the physical depreciation was calculated. • Describe the functional or external obsolescence. • Enter the GLA calculations or refer to a property sketch.
Economic Life	• Enter the remaining economic life of improvements (required for all FHA appraisals).
Opinion of Site Value	• Enter the opinion of site value.
Dwelling Sq. Ft. @ $	• Enter the GLA, multiply it by the square foot factor and enter the result.
Basement Sq. Ft. @ $	• Enter the basement square feet, multiply it by the square foot factor and enter the result.
Blank Line	• Use this line for lump sum adjustments for plumbing fixtures, dormers, fireplaces, built-in appliances, pools, etc. • Add together and enter the sum.
Gar/Crprt Sq. Ft @ $	• Enter the car storage square feet, multiply it by the square foot factor and enter the result.
Total Cost New	• Add the results of the first five lines together and enter the sum.
Less Depreciation	• Enter the amount of the estimated depreciation as a specific dollar amount, as a percentage or as a combination of both. • Entries made in either functional or external depreciation require explanation in the comments section. • Add together all forms of depreciation, enter the sum, and deduct this total from the total cost new.
Depreciated Cost	• Enter the difference from the total cost new less depreciation.
“As-is” Value of Site Improvements	• Enter the adjusted as-is value of the site improvements.
Blank Line	• Enter marketing costs here; it generally averages 6%. Also, if applicable, identify and include impact fees.

Field	Protocol
Indicated Value	• Add together the depreciated cost of improvements, adjusted as-is value of site improvements, marketing expense and/or impact fees, and enter the total.

16. Planned Unit Development Information Section

A PUD is a project that includes common property and improvements owned and maintained by an owners' association for the use and benefit of the individual units in the subdivision. If not applicable, leave blank.

Project Information for PUDs (if applicable)	
Field	**Protocol**
Developer/Builder in control of HOA	• Enter an "X" in the box indicating whether the developer/builder is in control of the HOA.
Unit Type(s)	• Enter an "X" in the box indicating unit type: "Detached" or "Attached."

Provide the following information for PUDs only if the developer is in control of the HOA and the subject property is an attached Dwelling Unit. The information requested is self-explanatory. Appraisers may choose to answer the last question referencing common elements and recreational facilities in support of a location adjustment regardless of dwelling style.

Field	Protocol
Legal name of project	Report the legal name.
Total number of phases	Report the number of phases, if more than one.
Total number of units	Report the total number of units in the project.
Total number of units sold	Report the total number of units sold. (This is to identify if the developer was unsuccessful in selling all of the units.)
Total units rented	Report the total units rented if available.
Total units for sale	Report the total number of units listed for sale (include For Sale by Owner).
Data source(s)	Provide source(s) of information, e.g., the HOA board, management company, verification with public records, etc.

Field	Protocol
Was the project created by the conversion of an existing building(s) into a PUD?	Answer yes or no.
If Yes, date of conversion.	If this was a conversion of existing buildings, then provide the date of conversion.
Does the project contain any multi-dwelling units?	Answer yes or no.
Data source(s)	What is the data source for this?
Are the units, common elements, and recreation facilities complete?	Answer yes or no.
If no, describe the status of completion.	If the project is incomplete or Under Construction, provide a description of what is planned when finished, the current status of construction/completion, rate of progress, etc.
Are the common elements leased to or by the Homeowners' Association?	Answer yes or no.
If yes, describe the rental terms and options.	If the common elements are leased to or by the HOA, describe the rental terms and options.
Describe common elements and recreational facilities.	What are the common elements provided to residents?