

UNIFORM RESIDENTIAL APPRAISAL REPORT CHECKLIST

For the review of the URAR, Fannie Mae 1004/Freddie Mac 70

For items below a “No” response requires further analysis from the underwriter to determine the acceptability of the property.

SUBJECT	Yes	No	N/A
1) Does the property address match the loan application and sales contract, if applicable?			
2) Are the R.E. taxes shown on the appraisal (for accurate PITI determination)?			
3) Is the property appraised fee simple? If no, comply with investor guidelines for Leaseholds?			
4) Are Homeowner Association fees, if applicable, included in the PITI (amount to match application and transmittal summary)?			
5) Do Borrower and owner of public record both correspond with other applicable documents in the file; sale contract, application?			
6) Does correct Broker/Correspondent lender show as the Lender/Client?			
7) OCCUPANT; does it correspond with transaction?			
8) If the property has an assessment has it been addressed in the sales contract?			
9) If the property has an assessment has the appraiser detailed the purpose and amount and addressed the effect on the subject property?			
10) Does the assignment type correspond with the loan request?			
11) Has the appraiser responded to whether the property has been offered for sale currently or in the last 12 months? Response is required. Note: Homes that are listed or recently listed typically are not eligible for refinancing. Check investor guidelines.			
12) Data sources used by the appraiser are verifiable? All information is complete?			

CONTRACT SECTION	Yes	No	N/A
1) Did the Appraiser analyze the sale contract if transaction is purchase? If NO - underwriter must require contract to be reviewed and analyzed before rendering a final decision.			
2) Are all fields within the contract section complete?			
3) Is the property seller the owner of public record, IF NO - RED FLAG!			

A “Yes” to the below questions requires further analysis from the underwriter to determine the acceptability of the property.

NEIGHBORHOOD SECTION	Yes	No	N/A
1) Is the location rural?			
2) Is the neighborhood less than 25% built up?			
3) Are property values declining? ¹			
4) Does demand/supply reflect an over supply?			
5) Is the marketing time more than six months?			
6) Does the appraised value exceed the predominant value?			
7) Do the boundaries noted in the neighborhood section differ from the location map information?			
8) Is the property indicated as suburban but based on neighborhood characteristics resemble more rural property?			
9) Are any negative market conditions indicated?			

Is the property location on PMI’s Distressed Markets List?	Yes	No	Date of List
Is the property location on a lender’s list of Distressed/Declining Markets?	Yes	No	Date of List

Additional resources found on www.pmi-us.com

- PMI’s Distressed Markets Policy
- PMI Keys to Appraisal Review in Distressed or Declining Markets

¹ Refer to PMI’s Distressed Markets Policy.

A “No” answer to the below questions requires further analysis from the underwriter to determine the acceptability of the property.

SITE SECTION	Yes	No	N/A
1) Is the acreage less than 10 acres? If no, be sure program allows for larger acreage. ²			
2) Is zoning shown as legal or legal non-conforming? Be sure legal non-conforming meets investor guidelines.			
3) Is the highest and best use residential?			
4) Are the utilities and off site improvements in line with the subject location whether urban, suburban or rural?			
5) Is the subject property street publicly maintained? (If no, Private Road Maintenance Agreement/HOA)?			
6) Are comments by the appraiser in the comment section all favorable or neutral?			
7) Is the subject’s view residential in nature?			

Any “Yes” response requires further analysis from the underwriter to determine the acceptability of the property.

DESCRIPTION OF IMPROVEMENT SECTION	Yes	No	N/A
1) Is the effective age substantially less than the actual age? (If yes, make sure it is justified in the comment section with structural improvements not just cosmetic improvements)			
2) Is there any evidence of dampness, settlement or infestation? (request applicable inspections)			
3) Is there any deviation to typical room count (2 kitchens, only 1 bedroom)?			
4) Is the property in fair or poor condition?			
5) Does the appraiser indicate any heating/cooling system that is not permanently affixed?			
6) Are there any deficiencies or adverse conditions listed by the appraiser in the comments section?			
7) Are there any needed repairs shown in the comments section?			
8) Are there any adverse environmental conditions?			
9) Do the details in the improvement section conflict with the room sketch or subject photos?			
10) Does the description of improvements conflict with the sales comparison grid on page 2?			

PAGE 2: URAR

Compare the information on page 1 and 2 for consistency throughout the appraisal report.

Any “Yes” answers require further analysis from the underwriter to determine the acceptability of the property.

SALES COMPARISON ANALYSIS SECTION	Yes	No	N/A
1) Are there any comparables that are older than 12 months from the date of appraisal?			
2) Are there any of the comparables listings?			
3) If property is suburban, are comparables over 1 mile?			
4) Are there comparables priced over the predominant value?			
5) Are there any comparables that seem substantially smaller or larger than the subject in size, room count or amenities?			
6) Are the more recent comparables priced lower than the older comparables?			
7) Is the sales data source for any of the comparables non-third party ³ ; such as builder or appraiser files?			
8) Are there any line adjustments that exceed the 10% tolerance?			
9) Are there any net adjustments that exceed the 15% tolerance?			
10) Are there any gross adjustments that exceed the 25% tolerance?			
11) Is there any indication the property is in fair or poor condition or inferior condition relative to the comparables?			
12) Are there any negative comments by the appraiser in the comments section?			
13) Are there any “across the board” adjustments?			
14) Does the subject seem to be over improved relative to the comparable sales?			
15) Did the appraiser omit any of the required information relating to prior sales or transfers?			
16) Do the prior sales or transfer data indicate unsubstantiated increases in value or property turnover?			
EVALUATE THIS DATA CAREFULLY FOR POSSIBLE FLIPS AND OTHER RED FLAGS.			

² Acreage may be limited on Jumbo products or other non-conforming programs.

³ Third party sources can be independently verified such as Multiple Listings or tax records.

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Any "No" answers require further analysis from the underwriter to determine the acceptability of the property.

RECONCILIATION SECTION	Yes	No	N/A
1) Is the appraisal done "as is"? If no, condition as indicated.			
2) Is the appraisal less than four months old? If no, condition for Update of Value? - Form 1004 D			
3) Does the appraised value support the sales price?			
4) If provided, is the cost and/or income approach in line with the subject's value?			
5) If the property is subject to inspections – be sure to condition for inspection not to reveal any property issues.			
6) REMEMBER THE FINAL RECONCILIATION SHOULD BE BASED ON ALL DATA PROVIDED			

Any "No" responses require further analysis from the underwriter to determine the acceptability of the property.

ADDENDA	Yes	No	N/A
1) Is there a street map identifying the locations of the subject and all comparable sales and rental comparables if applicable?			
2) Does the location map indicate comparables from same general locale with no manmade or natural boundaries separating the sale/subject? (boundaries such as parks, highways, rivers, RR tracks)			
3) Is the subject & comparables as noted on the location map within the neighborhood boundaries listed on page one of the appraisal?			
4) Does the interior room sketch correspond with both the description of improvements on page 1 and the information listed in the sales comparison analysis?			
5) Are there acceptable photos of the subject showing the entire building, an acceptable street scene and rear photo? (no for sale signs or other concerns)			
6) Are there acceptable photos of all comparable sales and do the photos match the descriptive information found in the comparable grid? Are the comparable sales visually comparable to the subject?			
7) Are all pages of the appraisal included and signed, dated and include license numbers as needed?			
8) Appraisers are not permitted to alter any of the certification sections of the appraisal pages 4-6.			

Any "Yes" responses require further analysis from the underwriter to determine the acceptability of the property.

COST APPROACH (if provided)			
1) What is the land to value ratio? (Estimated Site Value/appraised value)	%		
	Yes	No	N/A
2) Does the land value exceed 30%?			
3) Does the property have functional depreciation?			
4) Does the property have external depreciation?			
5) Does the square footage information conflict with the information on page 1, description of Improvements?			
PUD SECTION (if provided)	Yes	No	N/A
1) Is property attached?			
2) Is the developer/builder in control? If yes and property is attached complete all sections of PUD information.			

Notes:

This checklist is a job aid and is not a substitute for a thorough analysis of the appraisal.