

Appraiser Helpful Items: Feel free to give this to your appraiser when ordering an appraisal.

1. All appraisals should include the following:
 - 3 original pictures of subject property (front, rear, and street scene), original pictures of at least 3 comparables and original interior pictures. E-mailed and black and white appraisal photos with laser signatures are acceptable.
 - A map showing the location of the subject property and at least 3 comparables.
 - A sketch of room layout
 - A certifying statement from the appraiser
 - Identify the number of home sections that compromise the home (For example: singlewide (1 section), doublewide (2 sections), etc.)
 - Include a copy of the appraiser's license
 - Be typed fully completed and signed by the approved appraisers.
 - Be only original "hard copy" or e-mailed. No faxes or copies.
 2. The following criteria are applicable when determining the acceptability of an appraisal:
 - An appraisal conducted over 1 year before the closing date of the loan is unacceptable.
 - The appraisal must have been conducted 120 days or less from the closing date. Appraisals conducted over 121 days from the closing date require re-certification from the original appraiser.
 - All comparables should have closed within 6 months of the date of the appraisal. Comparable sales over 6 months, but less than 12 months old will require an explanation on the usage in the comments section or on the addendum. Comparable sales over 12 months old are not acceptable.
 - All comparable sales should be similar in size, appeal, and functionality to support acceptable valuation of the property.
 - Comparable sales in urban areas should be within 5 blocks or ½ mile of the subject property or be fully explained in the addendum.
 - Comparable sales in suburban areas should be within 3 miles with a maximum of 5 miles from the subject property or be fully explained in the addendum.
 - Properties classified as rural must contain at least 2 comparable sales within 20 miles of the subject.
 - All appraisal values must be "as is".
 - The method of appraisal required by UGMC is to compare the subject property to similar properties recently sold in the area. The selection of the best available comparable will normally minimize the need for adjustments.
 3. When adjustments are necessary, however, the following percentage limitations should be used as a guideline and should only be exceeded when an acceptable explanation is provided from the appraiser:
 - Gross Adjustments at 15%
 - Net Adjustments at 25%
- *****In the case of a purchase money transaction, the selling price is taken into account but is not the controlling factor when determining a fair market value. If the investigation and analysis performed by the appraiser indicates that comparable properties sold for a lesser price, the estimate of FMV of the subject property may be less than the sales price.
4. In addition, the appraisal report must address the following:
 - A "rebuild" letter may be required stating that the property can be rebuilt to its current use if destroyed where the properties are zoned legal non-conforming.
 - Properties lacking in permits for additional units may only be valued as permitted. The present land value should be based on the property's highest and best use.
 - The appraiser must comment on the condition and quality of the construction.
 - A termite report will be required on properties where the appraiser (or purchase agreement) indicates evidence of termite infestation/damage.
 - If the appraiser reports any dysfunction in the operation of the septic tank, a certification will be required.
 - A well certification will be required only when the appraiser indicates that there is a deficiency in the pressure of the well.
 - Any external factors that may affect a property's marketability.
 5. UGMC prohibits that have undesirable physical features, are physically deteriorated or are exposed to a substantial risk to value and/or marketability from being used as collateral. Some examples are listed below:
 - Significant building code or zoning violations
 - Rural properties with no comparables within 20 miles
 - Physical deterioration of the subject property which might make it potentially harmful for occupants
 - Imminent threat to the health or safety of the occupant
 - Lack of available utilities
 - Damage or deterioration such that it is prohibitively expensive or unfeasible to restore the structure to habitable conditions
 - Lack of city or county maintenance services
 - A current or potential environmental hazard risk
 - Identified recent or pending zoning charges which would have a negative or destabilizing impact on residential market values.
 6. Miscellaneous Items:
 - UGMC classifies a property as a rural if there are no comparable properties located within 5 miles of the subject property
 - **UGMC will reduce the LTV on rural properties to 80%**
 - Rural properties with no comparables sales located within 20 miles are unacceptable.