Appraisal Checklist

Appraisal comes back, processors to review within 4 hours, and send appropriate email to client and realtor. The following is a list of things to look for in the appraisal...

SUBJECT SECTION

1. Make sure the Street Suffix is listed and matches what is on the purchase contract (Drive, Blvd, Street)
2. Make sure the Borrower and Seller’s names match what is on the purchase contract AND the title work. (ALL 3 have to match)
3. Check the Tax Figure to ensure it matches to the tax certification and title commitment)
4. If there is HOA, ensure that you have the figure (per year or per month…and make sure this is marked accordingly) listed properly in Encompass
5. If Occupancy is Vacant, this may cause issues for FHA loan, OK with USDA.

CONTRACT SECTION

1. Make sure the sales price and the seller concessions matches the purchase contract
1. Well?  (If so, we need a water test. Make sure the realtor has ordered)

2. Septic? (If so, we need the statement that the “well is free of observable failures,” somewhere in the addendum pages)

3. Private Road? (If so request private road maintenance agreement)

4. Flood Zone? (If yes, we need to inform all parties that we need flood insurance and a Flood Certification needs to be ordered and potentially an Elevation Certificate)

5. PUD? (Look for any HOA charges and add to the 1003)
1. Ensure that there is no listed External or Functional Depreciation. Basically, look for any negative comments. You will also find items listed needed to be repaired here.

2. No and Yes, are the only way you want to see boxes marked. Otherwise, we have a problem.
SALES COMPARISON APPROACH

1. In ground Pool? (If yes, we must deduct the contributory value)

2. Is there a Barn / outbuildings? Sq Ft? (If too large or is a farm outbuilding, we may need to deduct the contributory value). Also, check the pictures for more info on the outbuildings. Also, look for anything that could be considered ‘income producing’ such as a mother in law’s suite, etc.

1. Make sure value is ok, and adjust the 1003 accordingly.

2. Was the appraisal completed AS-IS? (If not we must send an email to all parties informing them of the deficiencies and then scheduling a reinspection-442 w/ photos once complete. The reinspection cost will be $150 charged to the buyer.)
1. Ensure that the HUD handbook statement is listed. Also, the appraiser may not say that the property “appears” or “seems” to meet the HUD Guidelines. It must be a positive certification.

2. READ THIS ENTIRE SECTION to look for deficiencies such as the Utilities not being on as in this report.
COST APPROACH

1. The Opinion of Site Value cannot exceed 30% of the appraised value. (If so we need the appraiser to comment: Need to know if it is common for the area, if it affects marketability, and must comment whether the land can be subdivided.)

2. Remaining Economic Life Must be more than 30 Years

RECONCILIATION

Before you finish with your appraisal review, make sure you review the following and make appropriate changes...

1. Check to ensure the appraisal invoice, HVCC certificate and appraisal license are present.

2. Make sure the EMD, Concessions, and Purchase Price are corrected and match the 1003

3. Get a new pre HUD with the correct loan amount (lenders require)

4. Update all title, credit, VOE, and appraisal charges

5. Put correct title charges on page 2 of 1003

6. Make sure funding fee is correct