

RD AN No. 4601 (1980-D)  
October 17, 2011

TO: State Directors  
Rural Development

ATTENTION: Housing Program Directors,  
Guaranteed Loan Specialists,  
Area Directors and Specialists

FROM: Tammye Treviño                   *(Signed by Tammye Treviño)*  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Single Family Housing Guaranteed and Direct Loan Programs  
Adoption of the new Uniform Appraisal Dataset

**PURPOSE/INTENDED OUTCOME:**

The purpose of this Administrative Notice (AN) is to announce the USDA Rural Development Single Family Housing Section 502 Guaranteed and Direct Loan Programs will adopt the new Fannie Mae and Freddie Mac Uniform Appraisal Dataset (UAD) effective September 1, 2011. To allow sufficient time to make any necessary data system changes, the requirements of this AN will be mandatory for all appraisals completed on or after January 1, 2012. Prior to the January 1, 2012 date, appraisers have the option of either the UAD compliant format or a non-UAD compliant reporting format.

**COMPARISON WITH PREVIOUS AN:**

No previous AN has been issued on this subject.

**EXPIRATION DATE:**  
October 31, 2012

**FILING INSTRUCTIONS:**  
Preceding RD Instruction 1980-D

## **BACKGROUND:**

Under the direction of the Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac have developed the Uniform Mortgage Data Program, which uses the UAD. This program is a joint effort to standardize definitions and responses for a key subset of appraisal data entry fields. The UAD standardization will enable a more robust and accurate automated appraisal review. The primary purposes of this effort are to capture consistent data, drive improved loan quality, and manage risk effectively.

The program has three main components, however, this AN relates only to the UAD.

Some of the standardized items for residential appraisal forms include data formats, abbreviations, and descriptions and ratings. Appraisal software form providers will also incorporate these new standardized items into their appraisal form software.

Examples of changes include, but are not limited to:

### **Standardized Formats:**

- Year: mm/dd/yyyy or yyyy
- Currency: whole dollars only
- Baths: full baths(dot)half baths: 3.2 means 3 full baths and 2 half baths
- Year built: actual year is stated, 1978, estimated year, ~1950

### **Standardized Ratings:**

- Condition ratings: C1-C6
- Quality ratings: Q1-Q6
- Not updated/Updated/Remodeled

To read definitions of condition and quality ratings, refer to the “*Fannie Mae and Freddie Mac Uniform Appraisal Dataset Specification Version 1.2*” located online at:

<https://www.efanniemae.com/sf/lqi/umdp/pdf/uadspec.pdf>

## **IMPLEMENTATION RESPONSIBILITIES:**

Uniform Residential Appraisal Reports completed on or after September 1, 2011, may meet the new Fannie Mae and Freddie Mac UAD requirements. To allow sufficient time to make any necessary data system changes, the requirements of this AN will be mandatory for all appraisals completed on or after January 1, 2012. Prior to the effective date, appraisers have the option of either the UAD compliant format or a non-UAD compliant reporting format. Contracts for Single Family Housing Direct appraisals must be modified as appropriate to implement this provision.

Parties interested in more detailed information should review “*Using the Uniform Appraisal Dataset*” tutorials located online at: <https://www.efanniemae.com/sf/lqi/umdp/uad/index.jsp>.

State Offices or lenders with questions regarding this AN should contact David Chaput at (202) 720-1456, or Chris Ketner at (202) 690-1530.