



Rural Development

Joaquin Altoro
Administrator

Rural Housing Service
1400 Independence Ave, SW
Room 5014-S
Washington, D.C. 20250

Telephone: (202) 692-0268

TO: State Directors
Rural Development

ATTN: All Single Family Housing Direct
State and Field Employees

FROM: Joaquin Altoro
Administrator
Rural Housing Service

SUBJECT: Fee Increases under the Single Family Housing Direct Programs
Origination Appraisals

PURPOSE:

Single Family Housing (SFH) is increasing the appraisal fee to \$775 and the conditional commitment fee to \$850. The increased fees reflect current appraisal market research for origination appraisals in rural areas and incorporates the average cost of appraisals under the program's nationwide contracts with Appraisal Management Companies (AMCs).

The fee increases are effective 30 days after the date of this memorandum.

BACKGROUND:

The fourth year of the nationwide AMC blanket purchase agreements was phased out in the second half of 2023, as contracts with new nationwide providers began ramping up in June of 2023. To align with the Agency's average costs this year, a modest \$25 increase is needed for the standard appraisal fee charged to applicants. The calculations for increasing the fee took into consideration the first year scheduled fees charged under the contract.

The standard fee will continue to be assessed at least annually and remain subject to change, so that fees more closely align with the Agency's actual costs.

EXPIRATION DATE:
February 28, 2025

FILING INSTRUCTIONS:
Housing Programs

IMPLEMENTATION RESPONSIBILITIES:

The increased appraisal fee, collected at loan closing, will be effective 30 days from the date of this memorandum. However, the fee will be updated in the UniFi parameters on the date of this memorandum. To ensure compliance with this memorandum and the Truth in Lending Act and Real Estate Settlement Procedures Act Integrated Mortgage Disclosures' (TRID) changed circumstance, Field Staff should:

- Ensure all new Loan Estimates (LE) issued on/after the date of this memorandum reflect an appraisal fee of \$775.
- For transactions closing within 30 days of this memorandum (i.e., before this memorandum's effective date), change the appraisal fee to \$750 in UniFi (under the TILA/RESPA fees screen) prior to forwarding the Closing Disclosure (CD) to the applicant/closing agent.
- For transactions not closing within 30 days of this memorandum (i.e., on/after this memorandum's effective date) where the applicant previously received a disclosure (LE or CD) using an appraisal fee of \$750, send a revised disclosure (LE or CD as appropriate) with an appraisal fee of \$775. Loans may not close until 7 business days after the applicant receives the revised disclosure.

A conditional commitment fee of \$850 should be collected for conditional commitment applications submitted on/after this memorandum's effective date.

For any questions regarding this memorandum, please contact Evelyn.suarez@usda.gov or Brian.hudson@usda.gov. A copy of this memorandum will be placed in the [Single Family Direct Training Hub in the Appraisal Training folder](#).