Appraisals

Single Family Housing Guaranteed Loan Program (SFHGLP)
LOCATION
MARKET
AGE
CONDITION
IMPROVEMENTS
NEIGHBORHOOD
Appraiser Qualification

HB-1-3555, Chapter 12.5 A

- Properly Licensed/Certified
- Objective
- Independent
- USPAP Compliant
Appraisal Reports

HB-1-3555, Chapter 12.5 B

Reporting Requirements

Uniform Appraisal Data Set (UAD)

Appraisal Forms

USPAP
Uniform Standards of Professional Appraisal Practices
Appraisal Considerations

HB-1-3555, Chapter 12.5 B
Appraisal Photographs

HB-1-3555, Chapter 12.5 B
Transfers are acceptable.

Initial lender must agree.

Receiving lender assumes all responsibility.

No greater than 150 days at loan closing.
Appraisal Updates

Appraisal initially valid for 150 days from effective date.

Lenders may extend to 240 days (extra 90 days beyond initial period) with one-time Appraisal Update Report.
Property flipping is **not** prohibited.

Lender is responsible for ensuring that a recently sold property’s value is strongly supported by the appraisal report, to protect applicants from possible predatory lending.
Concerns are referred to USDA's Regional Agency Appraiser for technical review.

If determined inadequate, Lender is informed of corrections needed.

USDA reviews appraisal.

Lender communicates with and initiates corrective action with Appraiser.

Concerns are referred to USDA's Regional Agency Appraiser for technical review.
Appraiser may utilize other methods of valuation in compliance with USPAP.

Appraiser will explain the lack of sales comparison approach.
QUESTION

Appraisals

• Bixby Bank orders an appraisal, but cannot complete the transaction.
• Applicant goes to Orange Lending.
• Orange Lending requests the appraisal from Bixby Bank to save applicant money.
• Orange Lending may use this appraisal.

A. TRUE B. FALSE
3555.107(d)(7) and HB 12.5 B

A. TRUE

- Recipient lender must assume all responsibility for the transferred appraisal.
- Transferring lender must provide letter to state the transfer is approved.
- Appraisal validity dates apply.
Subject property appraisal dated March 15.
Property history reflects the previous sale was on January 5 of the same year.
This is a “flip” transaction, and therefore ineligible.

A. TRUE   B. FALSE
3555.107(d) and HB 12.5 B

B. FALSE

• Appraiser has noted the sales history.
• Appraiser must be aware of any renovations or rehabilitation that may have taken place since purchase.
• Appraiser will review the property, comps, and determine their opinion of market value.
QUESTION: Appraisals

- Appraisal completed March 29.
- Loan closing moved to November 5.
- Appraisal will be 150 days old on August 26.
- Lender may order an appraisal update.

A. TRUE  B. FALSE
3555.107(d)(7) and HB 12.5 B

A. TRUE

• Appraisal updates extend the validity period up to 240 days from the original completion date.
• Original appraisal completed March 29th plus 240 days = November 24th.
• When 240 days is breeched, a new appraisal will be required.
Every appraisal report has an administrative review performed by USDA staff.

A. TRUE      B. FALSE
3555.107(d)(4) and HB 12.5 E 1

A. TRUE

- USDA completes an administrative review on every appraisal
- This review is completed prior to issuance of Form RD 3555-18/18E (Conditional Commitment)
When an Appraisal Report is transferred from one Lender to another, the receiving Lender is not responsible for the accuracy of the appraisal since they did not hire the appraiser.

A. TRUE  B. FALSE
A. FALSE

- The receiving Lender assumes all responsibility for the accuracy of the report
Appraisal reports that will be more than 150 days old at loan closing may be extended for an additional ___ days by the Appraiser issuing an Appraisal Update Report.

A. 60  
B. 90  
C. 120
HB 12.5

B. 90 days

• An appraisal report may be extended for an extra 90 days beyond the initial period with a one-time Appraisal Update Report.
QUESTION

Appraisals

• Manufactured home.
• Appraisal completed on Fannie Mae Form 1004/Freddie Mac Form 70 for a SFH dwelling.
• This is an acceptable form.

A. TRUE       B. FALSE
3555.107(d) and HB 12.5 B

B. FALSE

- Manufactured Homes: Fannie Mae 1004C/Freddie Mac 70B is required for manufactured homes.
- Appraisers are responsible to select the appropriate appraisal form for the dwelling.
Way to Go!
LEARNING CHECK COMPLETED!
Lender Toolkit
Have a question on POLICY?
Contact the PAC team!

Need TRAINING?
Contact the LPA team!

Have a question on a SPECIFIC FILE?
Contact the OPD!

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### Single Family Housing Guaranteed Loan Program (SFHGLP)

#### Contacts & Resources

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>CONTACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>File-Specific Questions</td>
<td>Production Team One: <a href="mailto:SFHGLP.DONE@usda.gov">SFHGLP.DONE@usda.gov</a></td>
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<tr>
<td>Information to include in email</td>
<td>• Identify the state the application is located in, if applicable;</td>
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<td></td>
<td>• Provide applicant’s name and USDA borrower ID, if applicable;</td>
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<td></td>
<td>• GUS loan number, if applicable;</td>
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<td>• Include contact information; and</td>
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<td>• Indicate if you would like a call back</td>
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<td>(Otherwise you will receive an email reply)</td>
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<td>Lender Approval/Recertification</td>
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<td><a href="mailto:SFHGLP.compliance@usda.gov">SFHGLP.compliance@usda.gov</a></td>
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<td>Program Training</td>
<td><a href="mailto:SFHGLP.lenderpartner@usda.gov">SFHGLP.lenderpartner@usda.gov</a></td>
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<td>Program Marketing &amp; Outreach</td>
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<td>General Loan Scenario Questions</td>
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<td>Loan Policy/Regulation/Handbook</td>
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### Tools & Resources

- **Lender Webpage—Turn Pages, contact information, and helpful links**: [https://www.usda.gov/programs/turn-page/turn-page](https://www.usda.gov/programs/turn-page/turn-page)
- **USDA EWC—Training modules, user guides, and more useful resources**: [https://www.ers.usda.gov/programs-directives/turn-page](https://www.ers.usda.gov/programs-directives/turn-page)
- **GovDelivery—Receive notifications regarding origination, servicing, and GUS updates**: [https://mikes.prod.delivery.com/accounts/USDA/4563](https://mikes.prod.delivery.com/accounts/USDA/4563)

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