



NEW APPRAISAL WAIVER PROCEDURES

Fannie and Freddie have implemented Property Value Modernization Initiatives to offer more flexibility relating to subject property review and value. These products replace the traditional Property Inspection Waiver (PIW) that many are accustomed to.

Taking advantage of these collateral review options will save your clients money, reduce turn times, and improve the client experience. Because of the benefits associated with these new procedures, GMFS will proceed with your loan assuming the appraisal waiver option will be used unless otherwise notified.

The appraisal waiver options include:

Fannie:

1. Value Acceptance
2. Value acceptance + Property Data Report (PDR)

Freddie:

1. Automated Collateral Evaluation (ACE)
2. Automated Collateral Evaluation (ACE) + Property Data Report

What is a Property Data Report?

The Property Data Report is a report done by a trained and vetted third party that collects property data including an interior and exterior inspection, and photos. The property data collector uses 3D scans to map out the property to allow a reader to virtually walk through every part of the property. The scan will also provide a square footage layout. This inspection is strictly done for property data, and does not include property value information. The cost is less than half of an appraisal.

How is the Property Data Report Ordered?

Clients are required to order the Property Data Reports through the GMFS TPO Portal (Reggora appraisal ordering platform). Clients will follow the same ordering process as done with a traditional appraisal except clients will select Property Data Report. This process is in accordance with the Property Data Collector Independence Requirements outlined in the GSE links below and is required to be followed by **June 1st 2024**.

Are there Fees for a Property Data Report?

The fee for a Property Data Report is \$250.00 and should be disclosed as Property Data Inspection Fee on the Loan Estimate. If the property is determined to be eligible for a PDR after initial disclosures have been initiated, a change of circumstance to update the fee must be disclosed to the borrower within the regulatory required time period.

Are there any required disclosures?

The Appraisal Alternative Notice is required to be completed by the borrower prior to GMFS issuing a final approval for all waiver types. A copy of the form can be downloaded from our GMFS Partners site:

<https://gmfspartners.com/wp-content/uploads/2020/10/Appraisal-Alternative-Notice-10.2023.pdf>

Fannie/Freddie Eligibility and Property Data Collector Independence Requirement info:

<https://selling-guide.fanniemae.com/1033003431>

<https://guide.freddiemac.com/app/guide/section/5602.3>

<https://singlefamily.fanniemae.com/media/36476/display>



Appraisal Alternative Notice

DATE:

BORROWER:

SUBJECT PROPERTY ADDRESS:

NUMBER OF BEDROOMS: _____

YEAR HOME WAS BUILT: _____

PUD: _____YES _____NO

NAME OF PUD (if applicable): _____

HOA DUES: _____YES _____NO

HOA DUES AMOUNT: \$_____

HOA DUES PAID: _____MONTHLY _____ANNUALLY

Is the above home currently listed for sale?: _____YES _____NO

During the course of your transaction the lender may determine that a full appraisal is not required. The lender may be able to rely on an estimated appraised value. This is known as value acceptance or automated collateral valuation. This means that there is sufficient market data to assess a reasonable value for the property without obtaining a full appraisal. The estimated value will be used to determine the loan-to-value ratio and to make a credit decision on the loan. This estimate is not representative of the true market value of the property that would be assessed by a certified/licensed appraiser. In some instances, a Property Data Collector may schedule an appointment with you and take photos of the property. These photos are not used to prepare an appraisal. Rather, these photos are used to verify the condition of the property.

By signing below, I attest that the information above is true and accurate. I acknowledge that I accept the use of an estimated value and I understand that I have the right to request a full appraisal, at my expense. I further acknowledge that since an appraisal was not obtained in connection with my loan, I will not receive a copy of an appraisal.

Signature: _____

Date: _____