

# WELCOME

## MPF Xtra<sup>®</sup> Product UAD Appraisal Form Readiness

August 18, 2011

This material is current only as of the date of training, and therefore should not be used as the MPF Xtra Manual, Origination, Underwriting, or Servicing Guide. The official versions of the Guides are available via AllRegs<sup>®</sup>.

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# Today's Objectives

- UAD Form Requirements;
- How do the new UAD appraisal forms impact the underwriting process?
- Review key dates;
- Question and answer session.

## What is required on or after September 1, 2011?

- Appraisers must use the new UAD appraisal forms for all appraisals completed on or after this date;
- PFIs must underwrite to ensure that, when required, their loan files contain appraisals that were completed using the UAD appraisal forms.

# How can you identify that the appraisal form is UAD compliant?

- The following four appraisal forms must be UAD compliant if completed on or after September 1, 2011:
  - Uniform Residential Appraisal Report (URAR) FNMA Form 1004 UAD / FHLMC Form 70 UAD;
  - Individual Condominium Unit Appraisal Report (FNMA Form 1073 UAD / FHLMC Form 465 UAD);
  - Exterior-only Inspection Residential Appraisal Report (FNMA / FHLMC Form 2055 UAD); and
  - Exterior-only Inspection Individual Condominium Unit Appraisal Report (FNMA Form 1075 UAD / FHLMC Form 466 UAD).

What if an appraisal completed on or after September 1, 2011 is not on the UAD form?

- Contact your appraiser or AMC and request that the appraisal is completed on the UAD compliant form prior to delivery under the MPF Xtra product.

# How is the Underwriting process affected by the new UAD form?

- The Underwriter's primary responsibility, to review the appraisal for property valuation and eligibility, will not change.

# What is different about the new appraisal forms?

- Many data fields will now be standardized (61 total):
  - Since many data fields may be coded or abbreviated, underwriters must be knowledgeable of the definitions of each code or abbreviation;
  - Note, that due to abbreviations or coding, some information previously found in the appraisal form will now be contained in an appraisal addendum.
- See the following link for specific details:  
<https://www.efanniemae.com/sf/lqi/umdp/pdf/uadreqsforlenders.pdf>

# Example of Coded Data Field in a UAD Appraisal

- **Property Condition:**

- Property condition will be coded as C1, C2, C3, C4, C5, or C6 (a brief narrative may be included, however the underwriter must understand what the coding means).
  - For example, the definition of a **C3** - The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

# Another Example of Coded Data Field in a UAD Appraisal

- **Quality Ratings**

- Property ratings will be coded as Q1, Q2, Q3, Q4, Q5, or Q6 (a brief narrative may be included, however the underwriter must understand what the coding means).

- For example, the definition of a **Q3** - Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

## Additional Resources

- We plan to host a future webinar which will provide additional guidance for your underwriters in understanding and reviewing the new Appraisal forms;
- A recorded tutorial that provides details of the new standards may be found at the following link –  
<http://fanniemae.articulate-online.com/ContentRegistration.aspx?DocumentID=77856aa3-4df3-4e13-895b-4e71b79a7ed7&Cust=77787&ReturnUrl=/p/7778730514>

## Key date reminders for UAD/UCDP

- **September 1, 2011** (Date of appraisal)
  - New UAD appraisal forms required
- **December 1, 2011** (Date of application)
  - Must receive appraisal data in electronic format
  - Loans with an application after this date and delivered on or after March 19, 2012, must deliver appraisal data through the UCDP Portal
- **March 19, 2012** (Delivery date)
  - Appraisal data must be delivered to FNMA in the new XML format through the UCDP Portal

# Question and Answer Session

- Questions concerning UAD?

- Thank you for joining us today!!