

Review Appraiser AQA Desktop Guide

**Single Family Appraisal Subsystem
(SASS)**

Release 4.0



November 21, 2001

Approved by: _____, Business Manager
Date: _____

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Overview of SASS 4.0 Desktop Guide Updates

The Desktop Guide serves as a complement to SASS Online 4.0 and assists you in completing Appraisal Quality Assessments (AQAs) in the system. This step-by-step manual covers the existing procedures from the previous version, with updates that address the modifications made to SASS Online. Two new procedures have been added that describe how to fill out the contact log and utilize the Revision and Documentation Report.

The most significant SASS Online changes relate to the:

- 1038 Form
- AQA Tracker

The 1038 Form

The majority of the changes are to the 1038 Form, the most prominent of which is the integration of the V1 and V2 AQA Forms into one form that is used for both types of review. You will notice “look and feel” changes depicted in the screen shots throughout the Desktop Guide. For example, the 1038 Form is segmented into multiple screens that are navigated by clicking on the section tabs. Also, an “auto save” feature has been added. Section 3 has a formal contact log to document AQA Reviewer attempts to complete an interior review and the new section, Section 17, allows additional identification of problem areas not specifically covered elsewhere. While particular questions have been added, omitted or modified to address issues raised by the Homeownership Centers (HOCs), the procedures for completing the 1038 Form are the same.

AQA Tracker

Both the Prime Contractors and Review Appraisers will now have “read” access to the AQA Tracker so they are able to view comments from REAC. This feature replaces the Whiteboard functionality.

There are a few minor changes to SASS Online 4.0 featured in the Desktop Guide. These changes include:

- **Revision and Documentation Report** – The RAD Report is a communication tool that assists in reworking returned cases. Procedures for accessing and sharing the report are detailed in the Desktop Guide.
- **SASS Offline** – More detailed instructions and accompanying screen shots have been incorporated for downloading the new offline software and forms.
- **Security features** – Each user can now change their own SASS Online password.
- **Workload summary table** – A workload summary table on the home page provides a quick update on the volume of the user’s cases by status.



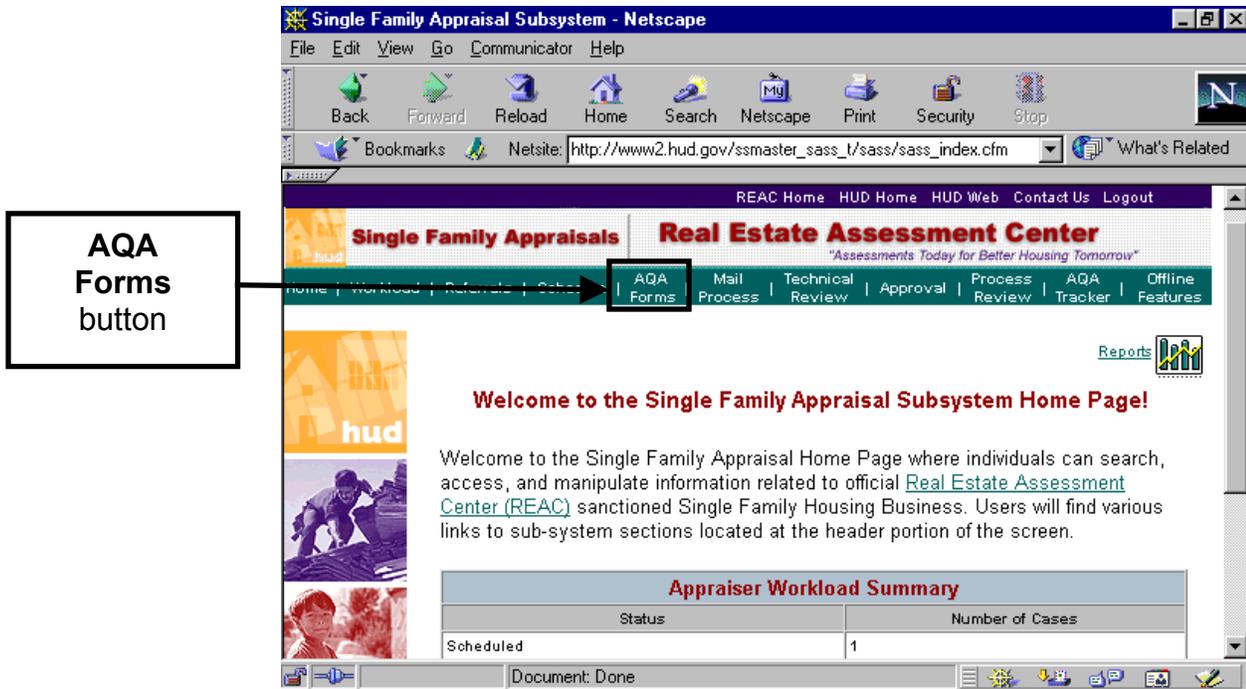
Along with the Desktop Guides there are a number of appendices to assist you. They include a copy of the letter to the homeowner (V2) and subject appraiser (V3), the new V1/V2 AQA 1038 Form, the V3 AQA 1038 Form, a supporting documentation matrix, a table with the acceptable/ unacceptable comments, a scope of work framework, and the CVP matrix.



Obtain the AQA Form

Review Appraisers must complete the following steps to obtain the AQA Form in SASS Online.

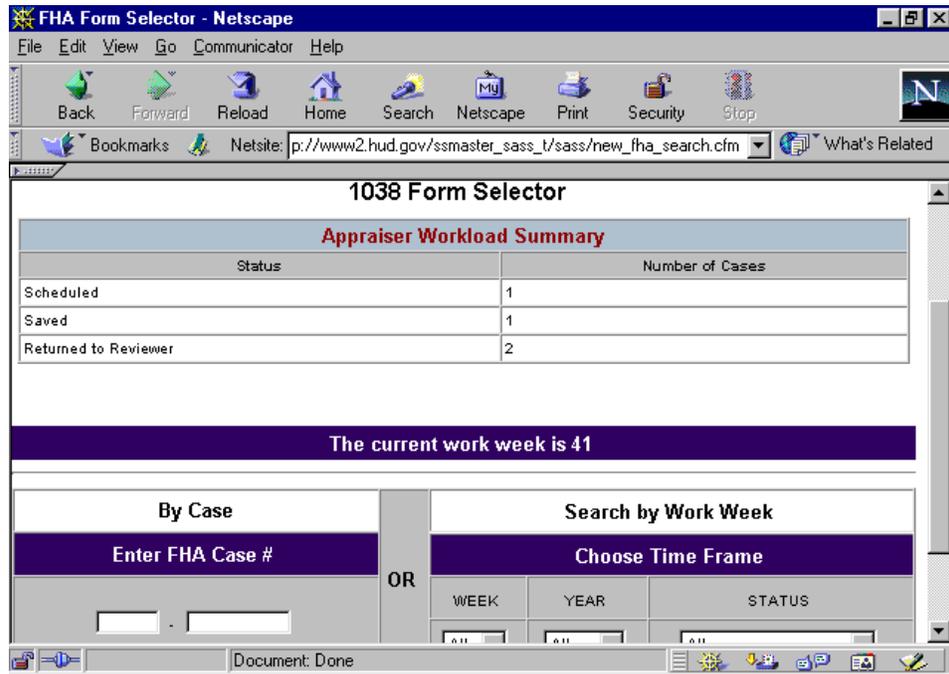
- 1 Log onto SASS Online by completing the following steps:
 - 1.1 Go to URL: [http:// www.hud.gov/reactools/reasyst.html](http://www.hud.gov/reactools/reasyst.html).
 - 1.2 Enter your User ID and Password (case sensitive).
 - 1.3 Click the **Login** button.
 - 1.4 When the Secure Systems on HUDWeb screen appears, click the **Single Family Appraisal Subsystem (SASS)** link. (Note: Prime Contractors and Review Appraisers can now change their own passwords by clicking the **System Administration** link and then clicking the **Password Change** link. Users can then enter a new password of his or her choice.)
- 2 Click the **AQA Forms** button on the Navigation Banner.



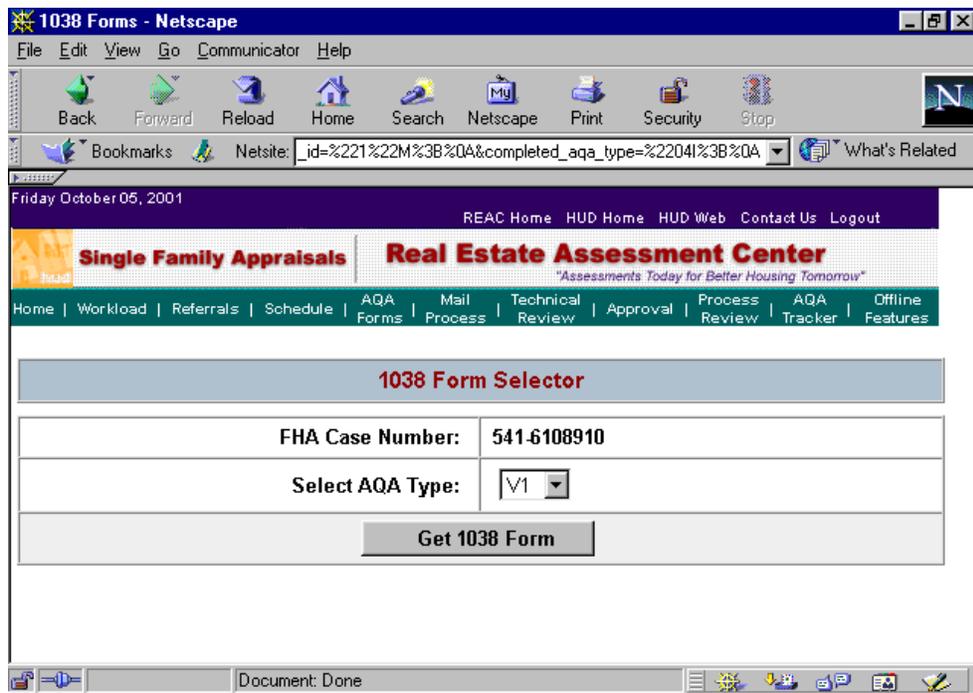
Note: A Workload Summary table now appears on the SASS home page after log on. This table shows each Appraiser his/her number of cases by status. It has been added for information purposes only.



- 3 Search for cases either by FHA Case Number, workweek or status.
 - 3.1 Search for cases either by FHA Case Number by completing the following steps:
 - 3.1.1 Enter the FHA Case Number into the “Enter FHA Case #” field.
 - 3.1.2 Hit the **Submit Query** button.

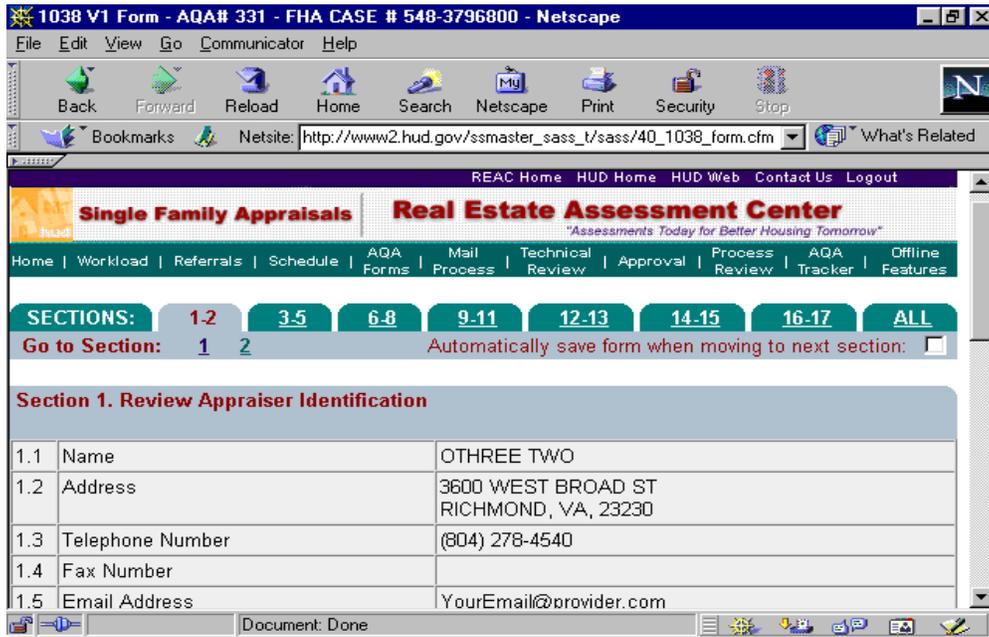


- 3.1.3 Click the **Get 1038 Form** button.



3.1.4 View the AQA Form.

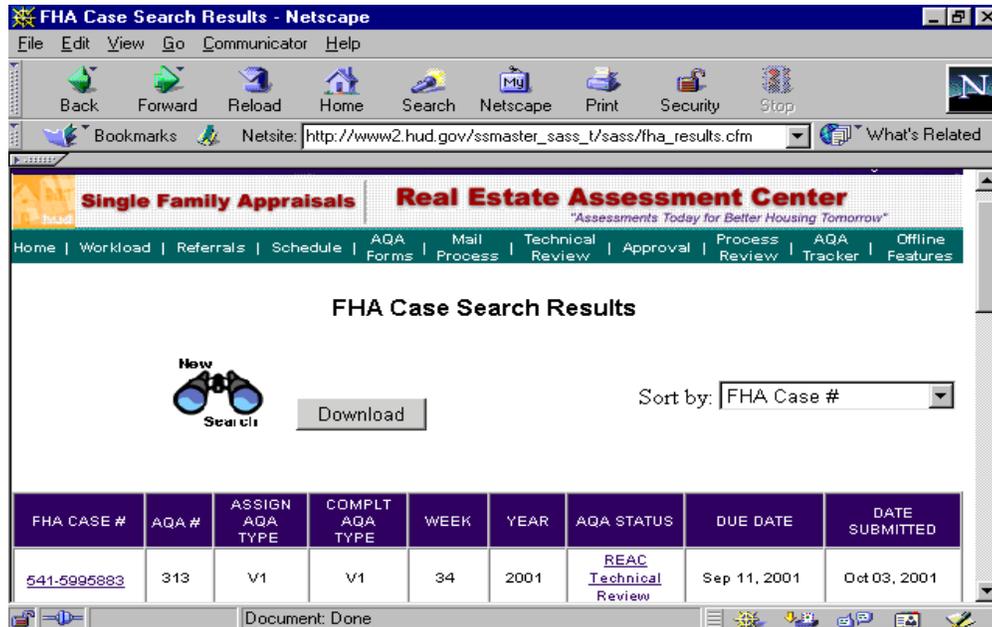
3.1.5 Choose the appropriate section of the form by clicking on the hyper-linked section number or view the entire form by clicking the **All** link.



3.2 Search for cases that meet certain criteria by completing the following steps:

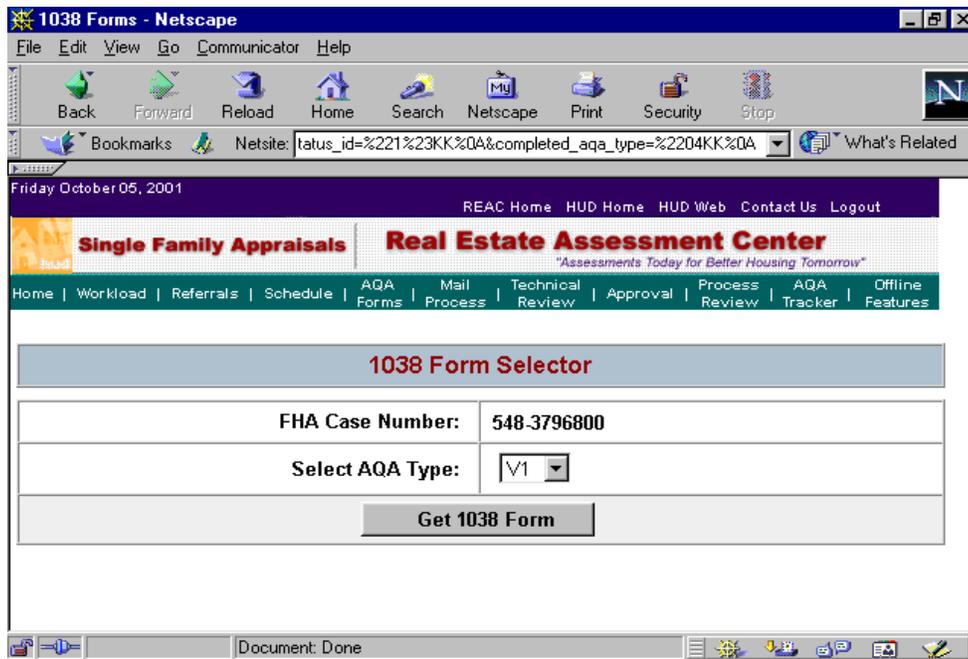
3.2.1 Adjust the values in **Week**, **Year** and **Status** column.

3.2.2 Click the **Submit Query** button.



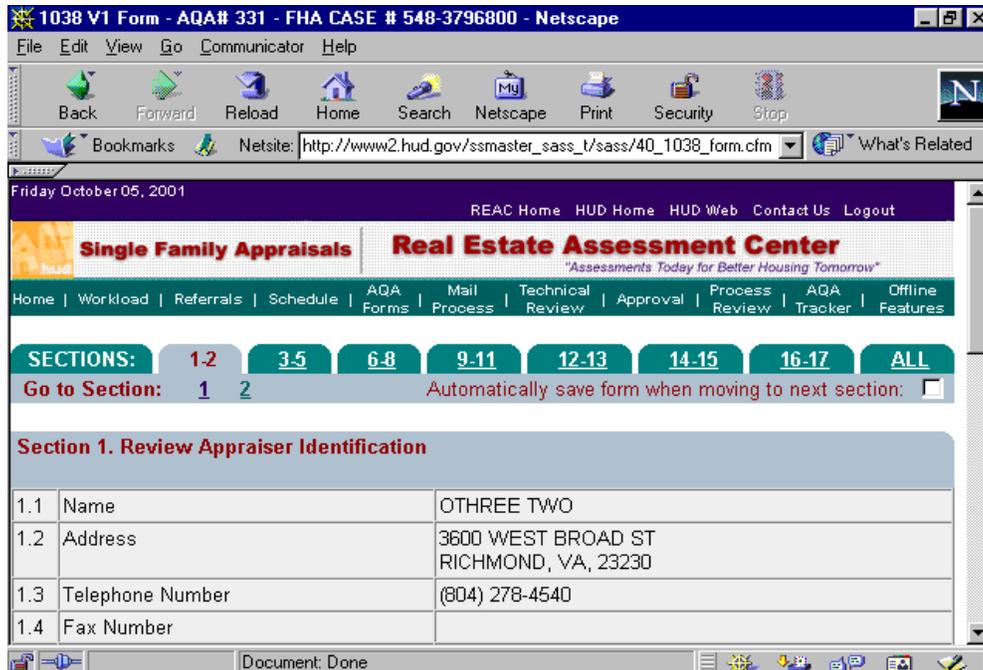
3.2.3 Click on the hyper-linked FHA Case Number for the AQA you want to view.

3.2.4 Click the **Get 1038 Form** button.



3.2.5 View the AQA Form.

3.2.6 Choose the appropriate section of the form by clicking on the hyper-linked section number or view the entire form by clicking the **All** link.



Complete the AQA Form

Review Appraisers must complete the following steps to complete the AQA Form.

- 1 Obtain the AQA Form (see Obtaining the AQA Form, page 2).
- 2 Use the subject appraiser's appraisal report and your review of the subject property to answer every question on the AQA Form.
- 3 Enter comments for all questions you answer "No" on the AQA Form by typing in the corresponding explanation box.

QUESTION	YES	NO	EXPLANATION
4.1 Signed Appraisal Report Form (URAR, Form 1025, or Form 1073) Comments For Prime	<input checked="" type="radio"/>	<input type="radio"/>	<input type="text"/> Edit Supporting Docs
4.2 Photographs of Subject Property and Comparables Comments For Prime	<input checked="" type="radio"/>	<input type="radio"/>	<input type="text"/> Edit Supporting Docs
4.3 Location Map Comments For Prime	<input checked="" type="radio"/>	<input type="radio"/>	<input type="text"/>



- 4 Provide documentation for all “No” answers by completing the following steps:
 - 4.1 Click on the corresponding **No** button.
 - 4.2 When the SASS Supporting Documentation Checklist screen appears, click the check box that corresponds to the documentation that you will provide to support your “No” answer. When using the “Additional Documentation From Appraiser” field, specify what items you are including.

Question 4.2 *Photographs of Subject Property and Comparables*

Below are the possible supporting documentation for this question:

Document Description	Included	Deficient
Appraisal	<input type="checkbox"/>	
Additional Documentation From Appraiser: <input type="text"/>	<input type="checkbox"/>	
Documentation Requested By REAC: None		

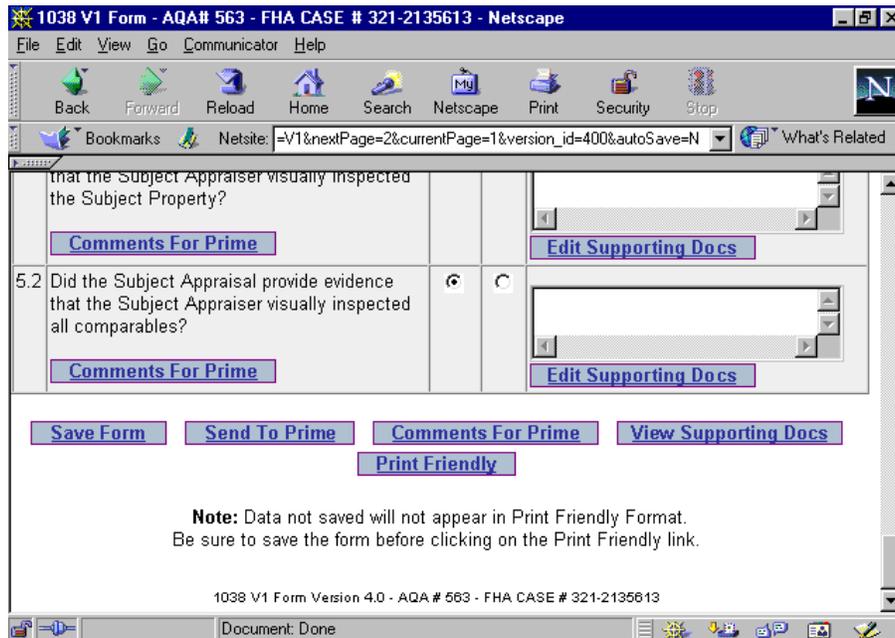
- 4.3 Click the **OK** button (The **Reset Form** button resets all information to the last time it was saved, the **Select All** button will select all potential documentation as being included, the **Remove All** button will remove all selected documentation and the **Close Window** button will close the Supporting Documentation Checklist without saving any changes.)
- 5 Edit supporting documentation by clicking the “**Edit Supporting Docs**” link.



- 6 Provide any comments you want to provide to the Prime Contractor by clicking the **Comments for Prime** link. Click the question number you want to make comments on and click the **arrow** (“ == >> ”) button. Enter comments in the **New Comments** field and click the **OK** button to save your comments. (The **Reset** button will remove all comments but keep the **Comments** screen open; the **Close Window** button will remove all comments and close the **Comments** screen).



- 7 To save the form either check the box next to “Automatically save form when moving to next section” for each section or click **OK** when prompted with “Do you want to save changes you might have made on the current page?”
- 8 After you have completed the AQA Form, click the **Send To Prime** button. (Clicking the **Save Form** button will save the information you entered without sending it.)



Complete the Contact Log

The contact log should be filled out by the Review Appraiser (RA) to document attempts to conduct a V2 AQA. Review Appraisers can fill out as many of the four contact attempt rows and homeowner contact information fields as they desire. However, once the RA begins a contact row they must fill out all fields in order to save.

Review Appraisers must complete the following steps to complete the contact log.

1 Obtain the AQA Form and begin to complete it (see Complete the AQA Form, page 6).
Note: The contact log is Question 3.3 in Section 3.

2 Enter the **Homeowner's First and Last Name**.

3 Enter the **Telephone Number** (including area code).

4 Enter the **Alternate Telephone Number** (including area code), if applicable.

5 Enter the **Contact Date** (mm/dd/yyyy).

6 In the **Method** column, click on the drop down arrow. Highlight the contact method – phone, email, home visit, other.

7 In the **Contacted** column, the **N** (i.e. No) is already checked. Check **Y** (i.e. Yes) if homeowner is contacted.

8 Enter any additional information in the **Comments** box.

1038 V2 Form - AQA# 559 - FHA CASE # 321-2078790 - Netscape

Please Note: Attempts to gain entry for interior inspections must be documented.

3.3	Homeowner Name (First/Last)	<input type="text"/>	<input type="text"/>		
	Telephone Number	<input type="text"/>			
	Alternate Telephone Number	<input type="text"/>			
	Date (mm/dd/yyyy)	Method	Contacted (Y/N)	Comments	
a.	<input type="text"/>	<input type="text"/>	<input type="radio"/> Y <input checked="" type="radio"/> N	<input type="text"/>	
b.	<input type="text"/>	<input type="text"/>	<input type="radio"/> Y <input checked="" type="radio"/> N	<input type="text"/>	
c.	<input type="text"/>	<input type="text"/>	<input type="radio"/> Y <input checked="" type="radio"/> N	<input type="text"/>	
d.	<input type="text"/>	<input type="text"/>	<input type="radio"/> Y <input checked="" type="radio"/> N	<input type="text"/>	



9 Save by clicking the **Save** button at the bottom of the form. If you move to a different section of the form you will be prompted with the message “Do you want to save changes you might have made on the current page?” unless the “Automatically save form when moving to next section” checkbox at the top of the form has already been checked.

10 Continue filling out the AQA form.



View the Revision and Documentation Report

Revision and Documentation (RAD) Reports are only generated for cases returned for rework. The “revision” occurs for questions where the Real Estate Analyst (REA) disagreed with the Review Appraiser’s opinion. A “documentation” signifies a question where the REA could not concur with the Review Appraiser’s opinion due to missing documentation or comments.

Review Appraisers must complete the following steps to view the Revision and Documentation Report.

- 1 Obtain the AQA Form (see Obtain the AQA Form, page 2).
- 2 Select a returned case by the FHA Case Number or in the Returned to Appraiser status (for more detail on selecting cases see Obtain the AQA Form, page 2).
- 3 View the AQA Form.
- 4 Scroll down to the bottom of the page.

2.4	Effective Date of Subject Appraisal	09/01/2000
2.5	Subject Property Address	SEC 30 TOWN 1 RANGE 12 DU BOIS , NE 68345
2.6	Assigned FHA Appraiser (per CHUMS)	BETH K ROSSI
2.7	Name of Lender/Client	AMERICAN NATIONAL BANK
2.8	Address of Lender/Client	OMAHA, NE 68114

[Save Form](#) [Send To Prime](#) [Comments For Prime](#) [View Supporting Docs](#)
[View Prime/REAC Comments](#) [View RAD Report](#) [Print Friendly](#)

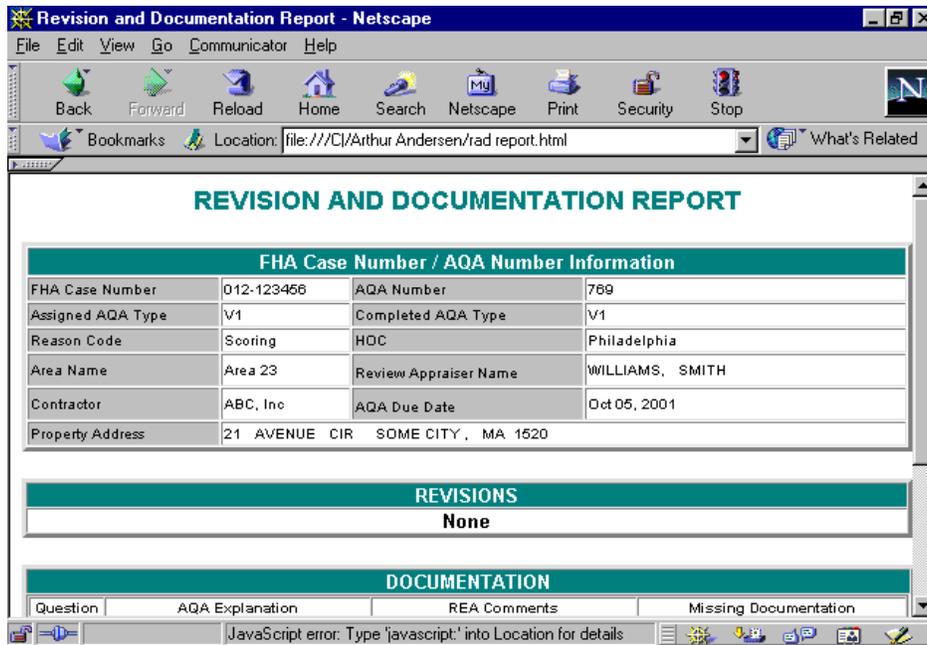
Note: Data not saved will not appear in Print Friendly Format.
Be sure to save the form before clicking on the Print Friendly link.

1038 V2 Form Version 4.0 - AQA # 559 - FHA CASE # 321-2078790

- 5 Click on the **View RAD Report** hyperlink. (Note: This link only appears for cases returned to the Prime Contractors and the Primes have granted access of the RAD Report to the Review Appraiser.)



6 View the Revision and Documentation Report.



7 Print the RAD Report by clicking the **Print** button.

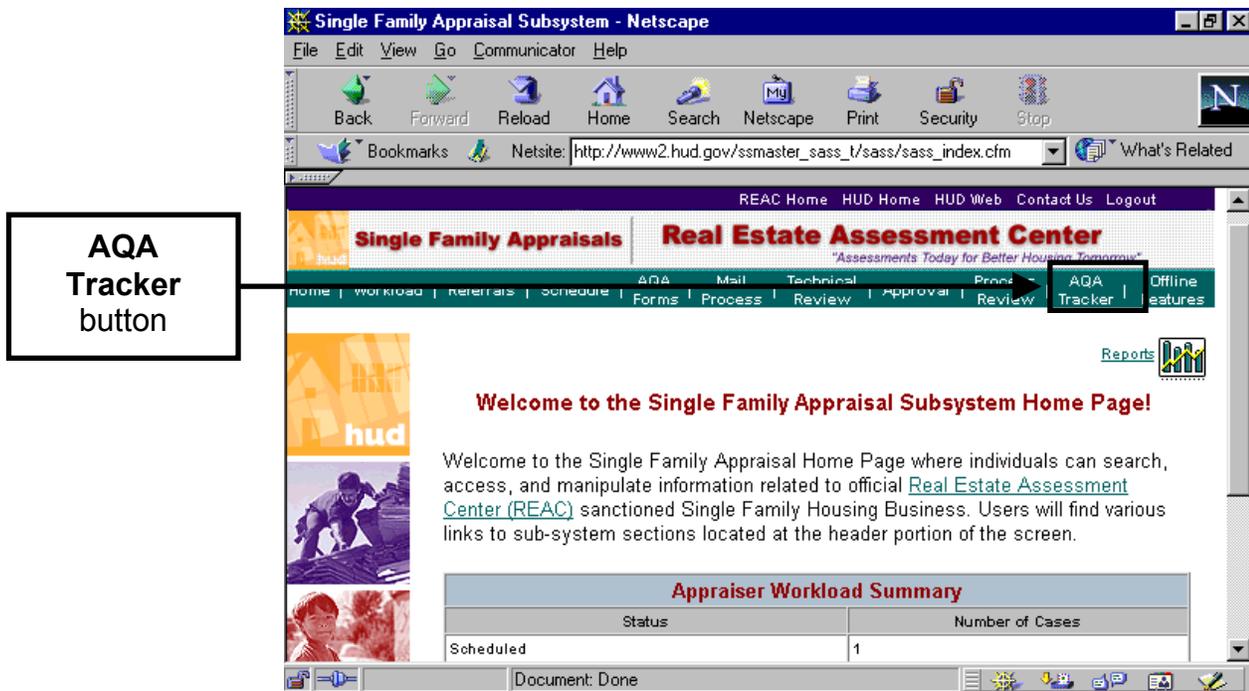
8 Click the **Close** button to exit the report.



Track AQAs

Review Appraisers must complete the following steps to determine the status of an AQA.

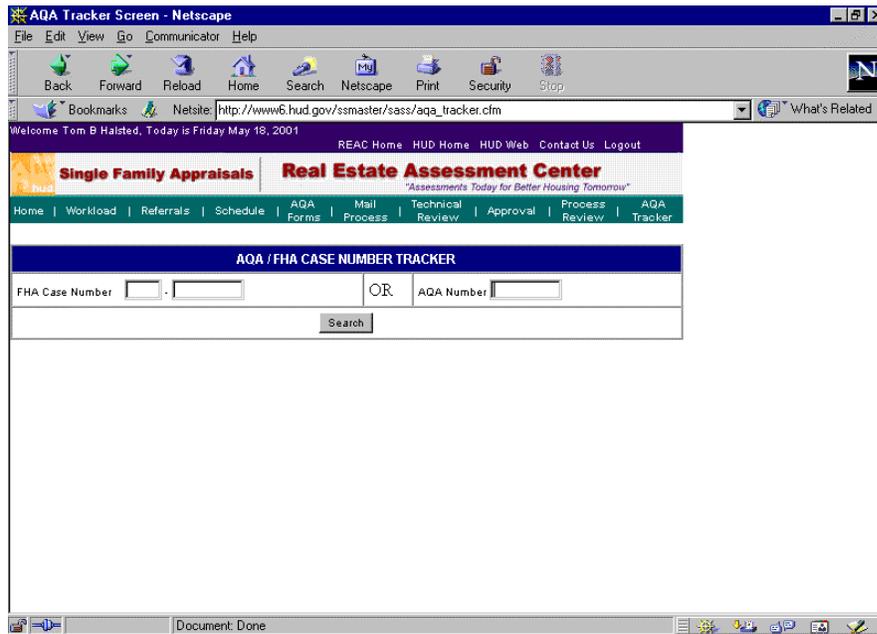
- 1 Log onto SASS Online by completing the following steps.
 - 1.1 Go to URL: <http://www.hud.gov/reactools/reasyst.html>.
 - 1.2 Enter your User ID and Password (case sensitive).
 - 1.3 Click the **Login** button.
 - 1.4 When the Secure Systems on HUDWeb screen appears, click the **Single Family Appraisal Subsystem (SASS)** link. (Note: Prime Contractors and Review Appraisers can now change their own passwords by clicking the **System Administration** link and then clicking the **Password Change** link. Users can then enter a new password of his or her choice.)
- 2 Click the **AQA Tracker** button on the Navigation Banner.



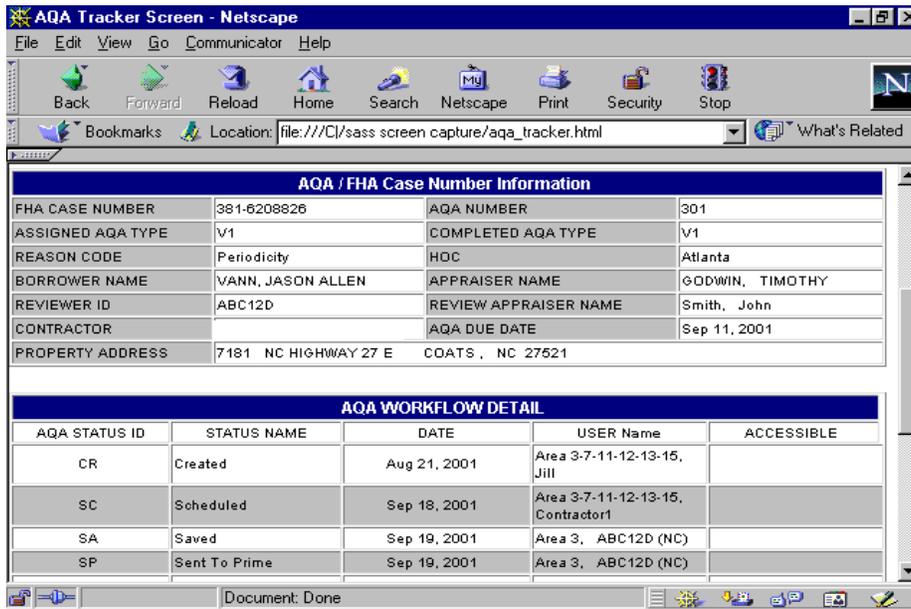
Note: A Workload Summary table now appears on the SASS home page after log on. This table shows each Appraiser his/her number of cases by status. It has been added for information purposes only.



- 3 Enter either the AQA's FHA Case Number or AQA Number in the appropriate field.
- 4 Click the **Search** button.



- 5 View the AQA's background and status information.



- 6 Click the **New Search** button to begin again.



Appendix A – Letter to Homeowner (V2)



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
1280 MARYLAND AVENUE, SW
SUITE 800
WASHINGTON, D.C. 20024 – 2135
[date]

Homeowner name
Address

Dear [homeowner]

INTERIOR AND EXTERIOR APPRAISAL QUALITY ASSESSMENT

As part of a national quality assurance initiative, the Department of Housing and Urban Development (HUD) has selected for review the appraisal that was performed as part of the processing of your FHA-insured mortgage. The appraisal of your property was selected because an FHA-registered appraiser performed the appraisal within the last 6 months.

The purpose of the national quality assurance initiative is to assess the quality of appraisals performed by HUD-registered appraisers. The goal of this initiative is to ensure that all homebuyers receive a high quality appraisal. Appraisals can help in determining whether the purchase price of the property is reasonable. Appraisals can also help homeowners avoid defaulting on their mortgages because of undetected needed repairs that are readily observable to the appraisers.

We would appreciate your assistance in reviewing your property. This involves access by an appraiser to your property and to the interior of your home.

HUD has authorized the following agent to manage the appraisal review of your property:

- [contractor name]
- [contractor contact details].

You will be contacted shortly to arrange a time for the appraiser to visit you. Should you have any questions, please contact the Real Estate Assessment Center at 888-245-4860.

Thank you in advance for helping us to improve the quality of appraisals for FHA-insured homebuyers.

Sincerely,

Donald J. LaVoy
Director, Real Estate Assessment Center



Appendix B – Letter to Subject Appraiser (V3)



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
1280 MARYLAND AVENUE, SW
SUITE 800
WASHINGTON, D.C. 20024 – 2135
[date]

Appraiser name
Address

Dear [appraiser]

COMPREHENSIVE APPRAISER QUALITY ASSESSMENT

As part of a national quality assurance initiative, the Department of Housing and Urban Development (HUD) has selected you for a Comprehensive Appraiser Quality Assessment. The purpose of this initiative is to assure the quality of practices in the appraisal industry for FHA appraisals, and specifically of FHA-registered appraisers.

We would appreciate your cooperation with this exercise. This requires access by a review appraiser to your place of business and your appraisal-related records. The review appraiser will also accompany you on an appraisal. Your participation is required in order to maintain your eligibility status on the FHA register.

HUD has authorized the following review appraiser to conduct the exercise:

- [contractor name]
- [contractor contact details].

You will be contacted shortly to arrange a mutually convenient time for the visit, which should take no more than one working day. Should you have any questions, please contact the Real Estate Assessment Center at 888-245-4860.

Sincerely,

Donald J. LaVoy
Director, Real Estate Assessment Center

Your REAC contact is: [name of appropriate GTM]



Appendix C – V1 1038 Field Review Form

The new 1038 Form is integrated to handle both V1 and V2 1038 Field Review inspections. For informational purposes, they are presented separately.

Note: Differences between the V1 and V2 1038 Field Review Forms involve specific questions. Questions 10.1 through 10.9 are not applicable for V1 1038 Field Reviews and are therefore not accessible by the user when conducting a V1 1038 Field Review.

HUD1038-V1: Exterior Field Review Report	
Section 1. Review Appraiser Identification	
1.1 Name	
1.2 Address	
1.3 Telephone Number	
1.4 Fax Number	
1.5 Email Address	
1.6 State Certification or License Number for state in which 1038 Field Review was completed	
1.7 Contract Area	
1.8 Date of 1038 Field Review	

Section 2. Subject Appraiser and Subject Property Identification	
2.1 AQA Number	
2.2 FHA Case Number	
2.3 Appraiser's File Number (from URAR)	
2.4 Effective Date of Subject Appraisal	
2.5 Subject Property Address	
2.6 Assigned FHA Appraiser (per CHUMS)	
2.7 Name of Lender/Client	
2.8 Address of Lender/Client	

Section 3. Completion of 1038 Field Review			
QUESTION	YES	NO	EXPLANATION
3.1 Did you take the required rear photograph of the Subject Property?			
3.2 Did you attach a Scope of Work including all extraordinary assumptions for this 1038 Field Review? (To be USPAP compliant, a Scope of Work must be attached.)			

Contact Log			
Please Note: Attempts to gain entry for interior inspections must be documented.			
3.3 Homeowner Name (First/Last)			
Homeowner Telephone Number			
Alternate Telephone Number			
Date (mm/dd/yyyy)	Method	Contacted (Y/N)	Comments
a.			
b.			



c.			
d.			

Section 4. Comprehensive Valuation Package (CVP)			
Instructions: Indicate the presence or absence of items 4.1 to 4.9 by checking YES or NO.			
QUESTION	YES	NO	EXPLANATION
4.1 Signed Appraisal Report Form (URAR, Form 1025, or Form 1073)			
4.2 Photographs of Subject Property and Comparables			
4.3 Location Map			
4.4 Sketch of all improvements (e.g. dwelling, patio, porch, garage, etc.) including dimensions			
4.5 Valuation Conditions (Form HUD 92564-VC) (Exceptions: If appraisal is for proposed or under construction properties, 203(k), check YES.)			
4.6 Homebuyer Summary (Form 92564-HS) (Exceptions: If appraisal is for proposed or under construction, properties, 203(k), or streamline refinancing, check YES.)			
4.7 Signed Certification			
4.8 Assumptions and Limiting Conditions			
4.9 Scope, Purpose and Intended User Addenda			
4.10 Was the assigned FHA Appraiser (Question 2.6) the same as the actual Appraiser (not the Supervisory Appraiser)? (If they are the same, check YES. If not, check NO and enter the name).			

Section 5. Inspection			
QUESTION	YES	NO	EXPLANATION
5.1 Did the Subject Appraisal provide evidence that the Subject Appraiser visually inspected the Subject Property?			
5.2 Did the Subject Appraisal provide evidence that the Subject Appraiser visually inspected all comparables?			

Section 6. Subject			
QUESTION	YES	NO	EXPLANATION
6.1 Were the Property Rights appraised correctly identified? (e.g., Fee Simple or Leasehold)			
6.2 Was the Subject section of the Subject Appraisal free of other errors and deficiencies?			

Section 7. Neighborhood			
QUESTION	YES	NO	EXPLANATION
7.1 Were the north, south, east, and west Neighborhood Boundaries accurately described?			
7.2 Were the Neighborhood Price Range and Predominant Value accurately reported? (If NO, please provide the correct price range and			



Section 7. Neighborhood			
QUESTION	YES	NO	EXPLANATION
predominant value.)			
7.3 Was the Neighborhood section of the Subject Appraisal free of other errors and/or deficiencies that have a significant impact on the health, safety, marketability or value of the Subject Property? (If NO, please list errors and/or deficiencies.)			
7.4 Were there fewer than three errors or deficiencies in the Neighborhood section of the Subject Appraisal? (If NO, please list errors and/or deficiencies, including but not limited to the NO responses above.)			

Section 8. Site			
QUESTION	YES	NO	EXPLANATION
8.1 Was the Site area accurately reported?			
8.2 Was the Zoning compliance correctly indicated? (e.g., Legal, Legal nonconforming, Illegal, No zoning)			
8.3 Was the Subject Property's Zoning classification accurately described and reported?			
8.4 Were all Utilities correctly indicated and/or described? (e.g., water, sewer, etc.)			
8.5 Were all other Site attributes accurately described? (e.g., Topography, Shape, Drainage, View, etc.)			
8.6 Did the Subject Appraisal correctly indicate whether the Subject Property is located in a Special Flood Hazard Area?			
8.7 Was the Site section of the Subject Appraisal free of other errors and/or deficiencies that have a significant impact on the health, safety, marketability or value of the Subject Property? (If NO, please list errors and/or deficiencies.)			
8.8 Were there fewer than three errors or deficiencies in the Site section of the Subject Appraisal? (If NO, list all errors and/or deficiencies, including but not limited to the NO responses above.)			

Section 9. Property Description			
QUESTION	YES	NO	EXPLANATION
9.1 Was the Type of dwelling (e.g., detached, attached, semi-detached) accurately described?			
9.2 Was the actual Age of the dwelling accurately reported?			
9.3 If the Subject Property is Manufactured Housing, was it correctly indicated on the URAR? (If not applicable, check YES.)			
9.4 If the Subject Property is Manufactured Housing, did the Subject Appraisal require the removal of transport equipment if applicable? (If unable to observe due to restricted access, provide explanation; OR if not applicable, check YES.)			



Section 9. Property Description			
QUESTION	YES	NO	EXPLANATION
9.5 If Subject Property is Manufactured Housing, did the Subject Appraisal require installation of a permanent foundation if applicable? (If unable to observe due to restricted access, provide explanation; OR if not applicable, check YES.)			
9.6 If the Subject Property is Manufactured Housing, was the serial number(s) accurately reported? (If unable to observe due to restricted access, provide explanation; OR if not applicable, check YES.)			
9.7 Was the Exterior description of the Subject Property free of other errors and/or deficiencies that have a significant impact on the health, safety, marketability or value? (If NO, list errors and/or deficiencies.)			
9.8 Were there fewer than three errors or deficiencies with the Exterior description of the Subject Property? (If NO, list all errors and/or deficiencies, including but not limited to the NO responses above.)			

Section 10. Interior Description of the Subject Property (This section is not applicable for V1 1038 Field Review)

Section 11. Cost Approach			
QUESTION	YES	NO	EXPLANATION
11.1 If the Cost Approach was required, was it included? (If not required, check YES.)			
11.2 Was the Estimated Site Value reasonable? (If not applicable, check YES.)			
11.3 Was the Total Estimated Cost New (<i>before</i> Depreciation) reasonable? (If not applicable, check YES.)			This question is not applicable for V1 1038 Field Review.
11.4 Was the Depreciation estimate reported on the Subject Appraisal within 10% of the 1038 Field Review Depreciation estimate? (If not applicable, check YES.) Example: Greater Depreciation amount minus Lesser Depreciation amount equals Depreciation difference. Depreciation difference divided by review Depreciation equals percentage difference of Depreciation.			This question is not applicable for V1 1038 Field Review.
11.5 Were there fewer than three errors or deficiencies in the Cost Approach? (If NO, list all errors and/or deficiencies, including but not limited to the NO responses above. If not applicable, check YES.)			This question is not applicable for V1 1038 Field Review.

Section 12. Sales Comparison Approach			
QUESTION	YES	NO	EXPLANATION
12.1 Were the Comparable Sales used the best ones available as of the effective date of the Subject Appraisal and representative of the subject market? (If NO, provide narrative explanation and include the			



Section 12. Sales Comparison Approach			
QUESTION	YES	NO	EXPLANATION
following items that are required as supporting documentation in the addenda: 1) New sales comparison analysis grid (URAR) utilizing three comparable sales, 2) New photograph(s), 3) New location map.			
12.2 Were the Comparables' transaction data and verification sources provided per HUD guidelines?			
12.3 If any of the Comparable Sales were not verified with someone who had first hand knowledge of the transaction, did the Subject Appraisal clearly state how the sale was verified and to what extent? (If not applicable, check YES.)			
12.4 Was the Comparable Sales data accurate and complete? (Including but not limited to correct photographs.)			
12.5 Were the Comparables' Sales and financing concessions accurately reported and adjusted where appropriate per HUD guidelines?			
12.6 Were all transactions involving the Comparable Sales within the twelve months prior to the effective date of the Subject Appraisal, accurately disclosed and adequately analyzed?			
12.7 Were the adjustments to the Comparable Sales applied consistently?			
12.8 Were the adjustments to the Comparable Sales reasonable?			
12.9 Were all line-item adjustments exceeding 10% of the Comparable sale price explained? (If not applicable, check YES.)			
12.10 Were all gross adjustments exceeding 25% of the Comparable sale price explained? (If not applicable, check YES.)			
12.11 Were explanations provided for all Comparable Sales dates beyond six months but less than twelve months prior to the effective date of the Subject Appraisal? (If not applicable, check YES.)			
12.12 Did the sale dates of Comparable Sales 1, 2, and 3 occur within the 12 months prior to the effective date of the Subject Appraisal?			

Section 13. Income Approach			
QUESTION	YES	NO	EXPLANATION
13.1 If applicable and/or completed within the Subject Appraisal, was the Income Approach correctly developed? (If not applicable, check YES.)			

Section 14. Reconciliation			
QUESTION	YES	NO	EXPLANATION
14.1 Was the Estimate of Market Value of the Subject Appraisal within the range of the applicable			



Section 14. Reconciliation			
QUESTION	YES	NO	EXPLANATION
approaches to value?			
14.2 Was the Estimate of Market Value correctly conditioned? (e.g., "as is," "subject to repairs," or "subject to completion")			
14.3 Were accurate comments and analysis provided regarding the Subject Property's current agreement of sale, option, or listing, and were they considered in the Subject Appraisal as required by USPAP Standards Rule 1-5 (a)(c)?			
14.4 Were <i>all</i> Subject Property transactions within 12 months prior to the effective date of the Subject Appraisal properly disclosed and analyzed as required by USPAP Standards Rule 1-5 (b)(c)?			
14.5 Did the Subject Appraisal adequately explain any substantial increase in price from the Subject Property's prior transaction to the current transaction? (If not applicable, check YES.)			

Section 15. Value Indicators			
Instructions: If you answer NO to Question 15.1, the following items are required: 1) New sales comparison analysis grid (URAR) utilizing three comparable sales, 2) New photograph(s), 3) New location map.			
QUESTION	Appraisal Value	1038 Field Review Value	% Difference
Cost Approach			
Sales Comparison Approach			
Income Approach			
Final Reconciliation			

QUESTION	YES	NO	EXPLANATION
15.1 Was the Estimate of Market Value of the Subject Appraisal within 10% of the Final Reconciled 1038 Field Review Value? (If not applicable, check YES.)			

Section 16. Valuation Conditions (VC) Form and Homebuyer Summary			
Instructions: For any NO answer in this section, document and support your findings with photographs and/or evidence including homeowner's statement, or other sources. (If unable to observe due to restricted access, answer YES and provide explanation.)			
QUESTION	YES	NO	EXPLANATION
16.1 Were all readily observable Site Hazards correctly indicated per VC-1?			
16.2 Were all readily observable Soil Contamination Hazards correctly indicated per VC-2?			
16.3 Was all readily observable evidence of Grading and/or Drainage problems correctly indicated per VC-3?			



Section 16. Valuation Conditions (VC) Form and Homebuyer Summary
Instructions: For any NO answer in this section, document and support your findings with photographs and/or evidence including homeowner's statement, or other sources. (If unable to observe due to restricted access, answer YES and provide explanation.)

QUESTION	YES	NO	EXPLANATION
16.4 If Subject Property lacks connection to public water, was it correctly indicated per VC-4?			
16.5 If Subject Property lacks connection with public/community sewer system, was this correctly indicated per VC-4?			
16.6 If private septic system is present, were readily observable indications of system malfunctions correctly indicated? (If public sewer access, check YES.)			
16.7 Were all Wood Destroying Insect issues correctly indicated per VC-5?			
16.8 Were all Private Road Access and Maintenance issues correctly indicated per VC-6?			
16.9 Was all readily observable evidence of Structural problems correctly indicated per VC-7?			
16.10 Was all readily observable evidence of Foundation problems correctly indicated per VC-8?			
16.11 Was all readily observable evidence of Roofing problems correctly indicated per VC-9?			
16.12 Was all readily observable evidence of Mechanical System problems correctly indicated per VC-10?			
16.13 Was all readily observable evidence of Health and/or Safety issues correctly indicated per VC-11? (e.g. broken or inoperable windows or doors, steps without handrails, blocked entrances or exits, etc.)			
16.14 Was all readily observable evidence of Lead Based Paint Hazards correctly indicated per VC-12?			
16.15 Were all Condominium and PUD issues correctly indicated per VC-13? (If not applicable, check YES.)			
16.16 Were all conditions noted on the Valuation Conditions form also disclosed on the Homebuyer Summary? (If not applicable, check YES. If the conditions on each document listed were not substantially identical, check NO and list the differences.)			

Section 17. Other Issues
Instructions: Address any other items or issues not otherwise covered by the 1038 Field Review Form that would significantly affect the overall condition, FHA eligibility, health, safety, or value of the Subject Property, and provide appropriate supporting documentation.

QUESTION	YES	NO	EXPLANATION
----------	-----	----	-------------



Section 17. Other Issues

Instructions: Address any other items or issues not otherwise covered by the 1038 Field Review Form that would significantly affect the overall condition, FHA eligibility, health, safety, or value of the Subject Property, and provide appropriate supporting documentation.

QUESTION	YES	NO	EXPLANATION
17.1 Were all the repairs indicated on the VC form completed as of the date of the 1038 Field Review? (If NO, please list each incomplete repair.)			
17.2 Was the Subject Appraisal free of other errors and/or deficiencies (in addition to those already noted on the 1038 Field Review?)			
17.3 Other Issues, Observations or Comments			
17.4 Suggestions for improving this form			



Appendix D – V2 1038 Field Review Form

The new 1038 Form is integrated to handle both V1 and V2 1038 Field Review inspections. For informational purposes, they are presented separately.

Note: Differences between the V1 and V2 1038 Field Review Forms involve specific questions. Questions 10.1 through 10.9 are not applicable for V1 1038 Field Reviews and are therefore not accessible by the user when conducting a V1 1038 Field Review.

HUD1038-V2: Interior/Exterior Field Review Report	
Section 1. Review Appraiser Identification	
1.1 Name	
1.2 Address	
1.3 Telephone Number	
1.4 Fax Number	
1.5 Email Address	
1.6 State Certification or License Number for state in which 1038 Field Review was completed	
1.7 Contract Area	
1.8 Date of 1038 Field Review	

Section 2. Subject Appraiser and Subject Property Identification	
2.1 AQA Number	
2.2 FHA Case Number	
2.3 Appraiser's File Number (from URAR)	
2.4 Effective Date of Subject Appraisal	
2.5 Subject Property Address	
2.6 Assigned FHA Appraiser (per CHUMS)	
2.7 Name of Lender/Client	
2.8 Address of Lender/Client	

Section 3. Completion of 1038 Field Review			
QUESTION	YES	NO	EXPLANATION
3.1 Did you take the required rear photograph of the Subject Property?			
3.2 Did you attach a Scope of Work including all extraordinary assumptions for this 1038 Field Review? (To be USPAP compliant, a Scope of Work must be attached.)			
Contact Log			
Please Note: Attempts to gain entry for interior inspections must be documented.			
3.3 Homeowner Name (First/Last)			
Homeowner Telephone Number			
Alternate Telephone Number			
Date (mm/dd/yyyy)	Method	Contacted (Y/N)	Comments
a.			
b.			



c.			
d.			

Section 4. Comprehensive Valuation Package (CVP)			
Instructions: Indicate the presence or absence of items 4.1 to 4.9 by checking YES or NO.			
QUESTION	YES	NO	EXPLANATION
4.1 Signed Appraisal Report Form (URAR, Form 1025, or Form 1073)			
4.2 Photographs of Subject Property and Comparables			
4.3 Location Map			
4.4 Sketch of all improvements (e.g. dwelling, patio, porch, garage, etc.) including dimensions			
4.5 Valuation Conditions (Form HUD 92564-VC) (Exceptions: If appraisal is for proposed or under construction properties, 203(k), check YES.)			
4.6 Homebuyer Summary (Form 92564-HS) (Exceptions: If appraisal is for proposed or under construction, properties, 203(k), or streamline refinancing, check YES.)			
4.7 Signed Certification			
4.8 Assumptions and Limiting Conditions			
4.9 Scope, Purpose and Intended User Addenda			
4.10 Was the assigned FHA Appraiser (Question 2.6) the same as the actual Appraiser (not the Supervisory Appraiser)? (If they are the same, check YES. If not, check NO and enter the name).			

Section 5. Inspection			
QUESTION	YES	NO	EXPLANATION
5.1 Did the Subject Appraisal provide evidence that the Subject Appraiser visually inspected the Subject Property?			
5.2 Did the Subject Appraisal provide evidence that the Subject Appraiser visually inspected all comparables?			

Section 6. Subject			
QUESTION	YES	NO	EXPLANATION
6.1 Were the Property Rights appraised correctly identified? (e.g., Fee Simple or Leasehold)			
6.2 Was the Subject section of the Subject Appraisal free of other errors and deficiencies?			

Section 7. Neighborhood			
QUESTION	YES	NO	EXPLANATION
7.1 Were the north, south, east, and west Neighborhood Boundaries accurately described?			
7.2 Were the Neighborhood Price Range and Predominant Value accurately reported? (If NO, please provide the correct price range and			



Section 7. Neighborhood			
QUESTION	YES	NO	EXPLANATION
predominant value.)			
7.3 Was the Neighborhood section of the Subject Appraisal free of other errors and/or deficiencies that have a significant impact on the health, safety, marketability or value of the Subject Property? (If NO, please list errors and/or deficiencies.)			
7.4 Were there fewer than three errors or deficiencies in the Neighborhood section of the Subject Appraisal? (If NO, please list errors and/or deficiencies, including but not limited to the NO responses above.)			

Section 8. Site			
QUESTION	YES	NO	EXPLANATION
8.1 Was the Site area accurately reported?			
8.2 Was the Zoning compliance correctly indicated? (e.g., Legal, Legal nonconforming, Illegal, No zoning)			
8.3 Was the Subject Property's Zoning classification accurately described and reported?			
8.4 Were all Utilities correctly indicated and/or described? (e.g., water, sewer, etc.)			
8.5 Were all other Site attributes accurately described? (e.g., Topography, Shape, Drainage, View, etc.)			
8.6 Did the Subject Appraisal correctly indicate whether the Subject Property is located in a Special Flood Hazard Area?			
8.7 Was the Site section of the Subject Appraisal free of other errors and/or deficiencies that have a significant impact on the health, safety, marketability or value of the Subject Property? (If NO, please list errors and/or deficiencies.)			
8.8 Were there fewer than three errors or deficiencies in the Site section of the Subject Appraisal? (If NO, list all errors and/or deficiencies, including but not limited to the NO responses above.)			

Section 9. Property Description			
QUESTION	YES	NO	EXPLANATION
9.1 Was the Type of dwelling (e.g., detached, attached, semi-detached) accurately described?			
9.2 Was the actual Age of the dwelling accurately reported?			
9.3 If the Subject Property is Manufactured Housing, was it correctly indicated on the URAR? (If not applicable, check YES.)			
9.4 If the Subject Property is Manufactured Housing, did the Subject Appraisal require the removal of transport equipment if applicable? (If unable to observe due to restricted access, provide explanation; OR if not applicable, check YES.)			



Section 9. Property Description			
QUESTION	YES	NO	EXPLANATION
9.5 If Subject Property is Manufactured Housing, did the Subject Appraisal require installation of a permanent foundation if applicable? (If unable to observe due to restricted access, provide explanation; OR if not applicable, check YES.)			
9.6 If the Subject Property is Manufactured Housing, was the serial number(s) accurately reported? (If unable to observe due to restricted access, provide explanation; OR if not applicable, check YES.)			
9.7 Was the Exterior description of the Subject Property free of other errors and/or deficiencies that have a significant impact on the health, safety, marketability or value? (If NO, list errors and/or deficiencies.)			
9.8 Were there fewer than three errors or deficiencies with the Exterior description of the Subject Property? (If NO, list all errors and/or deficiencies, including but not limited to the NO responses above.)			

Section 10. Interior Description of the Subject Property			
QUESTION	YES	NO	EXPLANATION
10.1 Was the number of Units accurately reported?			
10.2 Was the Condition of the Improvements accurately described?			
10.3 Was the Gross Living Area (GLA) estimate reported on the Subject Appraisal within 10% of the 1038 Field Review GLA estimate? Example: Greater GLA minus Lesser GLA equals GLA difference. GLA difference divided by review GLA equals percentage difference of GLA.			
10.4 Was the Subject Property's Above Grade Room Count accurately reported?			
10.5 Was the presence of Basement/Slab/Crawl Space correctly indicated?			
10.6 Was the type of Heating System accurately described? (If none, check YES.)			
10.7 Was the type of Cooling System accurately described? (If none, check YES.)			
10.8 Was the Interior description of the Subject Property free of other errors and/or deficiencies that have a significant impact on the health, safety, marketability or value? (If NO, please list errors and/or deficiencies.)			
10.9 Were there fewer than two errors or deficiencies with the Interior description of the Subject Property? (If NO, list all errors and/or deficiencies, including but not limited to the NO responses above.)			

Section 11. Cost Approach			
QUESTION	YES	NO	EXPLANATION



Section 11. Cost Approach			
QUESTION	YES	NO	EXPLANATION
11.1 If the Cost Approach was required, was it included? (If not required, check YES.)			
11.2 Was the Estimated Site Value reasonable? (If not applicable, check YES.)			
11.3 Was the Total Estimated Cost New (<i>before</i> Depreciation) reasonable? (If not applicable, check YES.)			
11.4 Was the Depreciation estimate reported on the Subject Appraisal within 10% of the 1038 Field Review Depreciation estimate? (If not applicable, check YES.) Example: Greater Depreciation amount minus Lesser Depreciation amount equals Depreciation difference. Depreciation difference divided by review Depreciation equals percentage difference of Depreciation.			
11.5 Were there fewer than three errors or deficiencies in the Cost Approach? (If NO, list all errors and/or deficiencies, including but not limited to the NO responses above. If not applicable, check YES.)			

Section 12. Sales Comparison Approach			
QUESTION	YES	NO	EXPLANATION
12.1 Were the Comparable Sales used the best ones available as of the effective date of the Subject Appraisal and representative of the subject market? (If NO, provide narrative explanation and include the following items that are required as supporting documentation in the addenda: 1) New sales comparison analysis grid (URAR) utilizing three comparable sales, 2) New photograph(s), 3) New location map.			
12.2 Were the Comparables' transaction data and verification sources provided per HUD guidelines?			
12.3 If any of the Comparable Sales were not verified with someone who had first hand knowledge of the transaction, did the Subject Appraisal clearly state how the sale was verified and to what extent? (If not applicable, check YES.)			
12.4 Was the Comparable Sales data accurate and complete? (Including but not limited to correct photographs.)			
12.5 Were the Comparables' Sales and financing concessions accurately reported and adjusted where appropriate per HUD guidelines?			
12.6 Were all transactions involving the Comparable Sales within the twelve months prior to the effective date of the Subject Appraisal, accurately disclosed and adequately analyzed?			
12.7 Were the adjustments to the Comparable Sales applied consistently?			



Section 12. Sales Comparison Approach			
QUESTION	YES	NO	EXPLANATION
12.8 Were the adjustments to the Comparable Sales reasonable?			
12.9 Were all line-item adjustments exceeding 10% of the Comparable sale price explained? (If not applicable, check YES.)			
12.10 Were all gross adjustments exceeding 25% of the Comparable sale price explained? (If not applicable, check YES.)			
12.11 Were explanations provided for all Comparable Sales dates beyond six months but less than twelve months prior to the effective date of the Subject Appraisal? (If not applicable, check YES.)			
12.12 Did the sale dates of Comparable Sales 1, 2, and 3 occur within the 12 months prior to the effective date of the Subject Appraisal?			

Section 13. Income Approach			
QUESTION	YES	NO	EXPLANATION
13.1 If applicable and/or completed within the Subject Appraisal, was the Income Approach correctly developed? (If not applicable, check YES.)			

Section 14. Reconciliation			
QUESTION	YES	NO	EXPLANATION
14.1 Was the Estimate of Market Value of the Subject Appraisal within the range of the applicable approaches to value?			
14.2 Was the Estimate of Market Value correctly conditioned? (e.g., "as is," "subject to repairs," or "subject to completion")			
14.3 Were accurate comments and analysis provided regarding the Subject Property's current agreement of sale, option, or listing, and were they considered in the Subject Appraisal as required by USPAP Standards Rule 1-5 (a)(c)?			
14.4 Were <i>all</i> Subject Property transactions within 12 months prior to the effective date of the Subject Appraisal properly disclosed and analyzed as required by USPAP Standards Rule 1-5 (b)(c)?			
14.5 Did the Subject Appraisal adequately explain any substantial increase in price from the Subject Property's prior transaction to the current transaction? (If not applicable, check YES.)			

Section 15. Value Indicators
Instructions: If you answer NO to Question 15.1, the following items are required:
1) New sales comparison analysis grid (URAR) utilizing three comparable sales,
2) New photograph(s), 3) New location map.



QUESTION	Appraisal Value	1038 Field Review Value	% Difference
Cost Approach			
Sales Comparison Approach			
Income Approach			
Final Reconciliation			

QUESTION	YES	NO	EXPLANATION
15.1 Was the Estimate of Market Value of the Subject Appraisal within 10% of the Final Reconciled 1038 Field Review Value? (If not applicable, check YES.)			

Section 16. Valuation Conditions (VC) Form and Homebuyer Summary
Instructions: For any NO answer in this section, document and support your findings with photographs and/or evidence including homeowner's statement, or other sources. (If unable to observe due to restricted access, answer YES and provide explanation.)

QUESTION	YES	NO	EXPLANATION
16.1 Were all readily observable Site Hazards correctly indicated per VC-1?			
16.2 Were all readily observable Soil Contamination Hazards correctly indicated per VC-2?			
16.3 Was all readily observable evidence of Grading and/or Drainage problems correctly indicated per VC-3?			
16.4 If Subject Property lacks connection to public water, was it correctly indicated per VC-4?			
16.5 If Subject Property lacks connection with public/community sewer system, was this correctly indicated per VC-4?			
16.6 If private septic system is present, were readily observable indications of system malfunctions correctly indicated? (If public sewer access, check YES.)			
16.7 Were all Wood Destroying Insect issues correctly indicated per VC-5?			
16.8 Were all Private Road Access and Maintenance issues correctly indicated per VC-6?			
16.9 Was all readily observable evidence of Structural problems correctly indicated per VC-7?			
16.10 Was all readily observable evidence of Foundation problems correctly indicated per VC-8?			
16.11 Was all readily observable evidence of Roofing problems correctly indicated per VC-9?			
16.12 Was all readily observable evidence of Mechanical System problems correctly indicated per VC-10?			
16.13 Was all readily observable evidence of Health and/or Safety issues correctly indicated per VC-11? (e.g. broken or inoperable windows or doors, steps without handrails, blocked entrances or			



Section 16. Valuation Conditions (VC) Form and Homebuyer Summary
Instructions: For any NO answer in this section, document and support your findings with photographs and/or evidence including homeowner's statement, or other sources. (If unable to observe due to restricted access, answer YES and provide explanation.)

QUESTION	YES	NO	EXPLANATION
exits, etc.)			
16.14 Was all readily observable evidence of Lead Based Paint Hazards correctly indicated per VC-12?			
16.15 Were all Condominium and PUD issues correctly indicated per VC-13? (If not applicable, check YES.)			
16.16 Were all conditions noted on the Valuation Conditions form also disclosed on the Homebuyer Summary? (If not applicable, check YES. If the conditions on each document listed were not substantially identical, check NO and list the differences.)			

Section 17. Other Issues

Instructions: Address any other items or issues not otherwise covered by the 1038 Field Review Form that would significantly affect the overall condition, FHA eligibility, health, safety, or value of the Subject Property, and provide appropriate supporting documentation.

QUESTION	YES	NO	EXPLANATION
17.1 Were all the repairs indicated on the VC form completed as of the date of the 1038 Field Review? (If NO, please list each incomplete repair.)			
17.2 Was the Subject Appraisal free of other errors and/or deficiencies (in addition to those already noted on the 1038 Field Review?)			
17.3 Other Issues, Observations or Comments			
17.4 Suggestions for improving this form			



Appendix E – V3 AQA Form

Form 1038-V3: Comprehensive Appraiser Quality Assessment Report

PART I: IDENTIFICATION

Section 1. Review Appraiser Identification

1.1 Name	
1.2 Address	
1.3 Telephone number	
1.4 State Certification or License Number for state in which AQA was conducted	
1.5 State of licensure	
1.6 Social Security Number	

Section 2. Subject Appraiser Identification

2.1 Name of FHA Roster appraiser	
2.2 Address	
2.3 State Certification or License number (where place of business is located)	
2.4 State of licensure (where place of business is located)	

Section 3. Completion of Review

QUESTIONS	YES	NO	COMMENTS
3.1 Were you able to successfully complete this Comprehensive Appraiser Quality Assessment?			



PART II: BUSINESS PRACTICE ASSESSMENT

Section 4. Support Data/Equipment

QUESTIONS	YES	NO	COMMENTS
4.1 Did Subject Appraiser's place of work contain access to current sales data?			
4.2 Did Subject Appraiser's place of work contain current residential cost manual/services?			
4.3 Did Subject Appraiser's place of work contain a computer and printer?			
4.4 Did Subject Appraiser's place of work contain a telephone?			
4.5 Did Subject Appraiser's place of work contain a functional filing system?			
4.6 Did Subject Appraiser's place of work contain HUD Handbook 4150.2?			
4.7 Did Subject Appraiser's place of work contain access to FEMA flood insurance rate maps?			

Section 5. License/Certification

QUESTIONS	YES	NO	COMMENTS
5.1 Did the Subject Appraiser have evidence of license or certification for the state in which the appraisal was performed?			

Section 6. Record Keeping

QUESTION	YES	NO	COMMENTS
6.1 Was Subject Appraiser able to produce the requested five case files (for Section 13)?			
6.2 Was Subject Appraiser able to produce two files five years of age or dating from the first year of the Subject Appraiser's business (whichever is later)?			



PART III: FIELD INSPECTION

Section 7. Field Inspection Identification

7.1 FHA case number (if no FHA case number available, write N/A and obtain copy of appraisal request)	
7.2 Appraised property address	
7.3 Date of inspection of appraised property	

Section 8. Equipment

QUESTIONS	YES	NO	COMMENTS
8.1 Did Subject Appraiser have the equipment needed to undertake the appraisal upon arrival at subject property?			

Section 9. Site

QUESTIONS	YES	NO	COMMENTS
9.1 Did the Subject Appraiser take notes during the site inspection?			
9.2 Did the Subject Appraiser inspect the entire site?			
9.3 Did Subject Appraiser note types of utility connections?			

SECTION 10. Exterior Inspection

QUESTIONS	YES	NO	COMMENTS
10.1 Did Subject Appraiser inspect all sides of the subject improvements?			
10.2 Did Subject Appraiser measure the subject improvements?			
10.3 Did Subject Appraiser visually inspect the roof? (If not applicable, check YES.)			
10.4 Did the Subject Appraiser note all deficiencies on the exterior of the dwelling?			
10.5 Did Subject Appraiser photograph front, rear and sides of property and the street scene?			



Section 11. Interior Inspection

QUESTIONS	YES	NO	COMMENTS
11.1 Did Subject Appraiser take notes during the interior inspection?			
11.2 Did Subject Appraiser inspect all rooms, including the basement and attic? (If not applicable, check YES.)			
11.3 Did Subject Appraiser note all readily observable hazards, problems, and deficiencies within the dwelling? (If not applicable, check YES.)			

Section 12. HVAC/Plumbing/Doors/Electrical

QUESTIONS	YES	NO	COMMENTS
12.1 Did Subject Appraiser turn on heating system to observe functionality? (If not applicable, check YES.)			
12.2 Did Subject Appraiser turn on air conditioning system to observe functionality? (If not applicable, check YES.)			
12.3 Did Subject Appraiser turn on faucets and flush toilets to observe water pressure in house? (If not applicable, check YES.)			
12.4 Did Subject Appraiser operate a representative sample of electrical fixtures to observe functionality? (If not applicable, check YES.)			
12.5 Did Subject Appraiser verify that the garage door did not drop with a heavy impact due to broken or missing components? (If not applicable, check YES.)			
12.6 Did Subject Appraiser operate all exterior doors to observe functionality? (If not applicable, check YES.)			

PART IV: DESKTOP REVIEW

Section 13. Desktop Review Identification

Case No.	Address (street, city)	FHA Case #
1		
2		
3		
4		
5		



Section 14. Comprehensive Valuation Package (CVP)

QUESTIONS	Case 1	Case 2	Case 3	Case 4	Case 5
14.1 Does the file contain completed URAR? (Click in box for YES.)					
14.2 Does the file contain completed VC Form? (Click in box for YES.)					
14.3 Does the file contain signed Certification? (Click in box for YES.)					
14.4 Does the file contain Homebuyer Summary? (Click in box for YES.)					

Section 15. Basic File Items

QUESTIONS	Case 1	Case 2	Case 3	Case 4	Case 5
15.1 Does the file contain request for or acceptance of assignment? (Click in box for YES.)					
15.2 Does the file contain legal description? (Click in box for YES.)					
15.3 Does the file contain all required subject photographs? (Click in box for YES.)					
15.4 Does the file contain field notes from the inspection? (Click in box for YES.)					
15.5 Does the file contain the subject listing information? (Click in box for YES.)					

Section 16. Cost Approach

QUESTIONS	Case 1	Case 2	Case 3	Case 4	Case 5
16.1 Does the appraisal or file cite source of replacement cost estimate? (Click in box for YES or Not Applicable.)					
16.2 Does the appraisal or file contain support for the land value? (Click in box for YES or Not Applicable.)					
16.3 Does the appraisal or file contain support for the depreciation estimate? (Click in box for YES or Not Applicable.)					

Section 17. Sales Comparison Approach

QUESTIONS	Case 1	Case 2	Case 3	Case 4	Case 5
17.1 Does the appraisal or file contain descriptive sales data and photographs? (Click in box for YES.)					



QUESTIONS	Case 1	Case 2	Case 3	Case 4	Case 5
17.2 Does the appraisal or file contain transaction information? (Click in box for YES.)					
17.3 Does the appraisal or file contain verification of sales? (Click in box for YES.)					
17.4 Does the appraisal or file contain reasonable explanation of comparable sales beyond immediate market area, if applicable? (Click in box for YES or Not Applicable.)					

Section 18. Income Approach

QUESTIONS	Case 1	Case 2	Case 3	Case 4	Case 5
18.1 Does the appraisal or file contain market rent comparable information? (Click in box for YES or Not Applicable.)					
18.2 Does the appraisal or file contain accurate calculations? (Click in box for YES or Not Applicable.)					

Section 19. Value Conclusion

QUESTIONS	Case 1	Case 2	Case 3	Case 4	Case 5
19.1 Does the appraisal or file indicate the appraised value as repaired, if applicable? (Click in box for YES or Not Applicable.)					
19.2 Does the appraisal or file contain subject agreement of sale and sales history? (Click in box for YES or Not Applicable.)					

Section 20. Valuation Conditions

QUESTIONS	Case 1	Case 2	Case 3	Case 4	Case 5
20.1 Does the appraisal or file contain photographs of VC conditions? (Click in box for YES or Not Applicable.)					
20.2 Does the file contain field notes? (Click in box for YES or Not Applicable.)					
20.3 Does the appraisal or file contain calculations of cost to repair VC conditions? (Click in box for YES or Not Applicable.)					

If you answer "NO" to any questions from sections 14 - 20, please comment.





Appendix F – Supporting Documentation Matrix

Supporting Documentation

This appendix lists the supporting documentation required for NO answers to questions on the HUD 1038 Forms. For example, if you answer NO to question 4.1 on form 1038-V1, you just need to submit the appraisal (as always) to REAC with the form.

V1 Form	V2 Form	Violation	Possible Supporting Documentation
		Section 4. Comprehensive Valuation Package (CVP)	
4.1	4.1	Signed Appraisal Report Form (URAR, Form 1025, or Form 1073)	<ul style="list-style-type: none"> Appraisal
4.2	4.2	Photographs of Subject Property and Comparables	<ul style="list-style-type: none"> Appraisal
4.3	4.3	Location Map	<ul style="list-style-type: none"> Appraisal
4.4	4.4	Sketch of all improvements (e.g. dwelling, patio, porch, garage, etc.) including dimensions	<ul style="list-style-type: none"> Appraisal
4.5	4.5	Valuation Conditions (Form HUD 92564-VC) (Exceptions: If appraisal is for proposed or under construction properties or 203(k), check YES.)	
4.6	4.6	Homebuyer Summary (Form HUD 92564-HS) (Exceptions: If appraisal is for proposed or under construction properties, 203(k), or streamline refinancing, check YES.)	
4.7	4.7	Signed Certification	
4.8	4.8	Assumptions and Limiting Conditions	
4.9	4.9	Scope, Purpose and Intended User Addenda	
4.10	4.10	Was the assigned FHA Appraiser (Question 2.6) the same as the actual Appraiser (not the Supervisory Appraiser)? (If they are the same, check YES. If not, check NO and enter the name).	



V1 Form	V2 Form	Violation	Possible Supporting Documentation
		Section 5. Inspection	
5.1	5.1	Did the Subject Appraisal provide evidence that the Subject Appraiser visually inspected the Subject Property?	<ul style="list-style-type: none"> Letter from previous homeowner or realtor stating that no one visited property URAR annotated to indicate no photographs/ photographs of wrong property (applicable to subject or Comparables) Note commenting on incorrect written description of subject or Comparables
5.2	5.2	Did the Subject Appraisal provide evidence that the Subject Appraiser visually inspected all comparables?	<ul style="list-style-type: none"> Review appraiser's photograph(s) of comp(s)
		Section 6. Subject	
6.1	6.1	Were the Property Rights appraised correctly identified? (e.g., Fee Simple or Leasehold)	<ul style="list-style-type: none"> Deed MLS data or other
6.2	6.2	Was the Subject Section of the appraisal report free of other errors and deficiencies?	
		Section 7. Neighborhood	
7.1	7.1	Were the north, south, east, and west Neighborhood Boundaries accurately described?	<ul style="list-style-type: none"> Location Map Appraisal
7.2	7.2	Were the Neighborhood Price Range and Predominant Value accurately reported? (If NO, please provide the correct price range and predominant value.)	<ul style="list-style-type: none"> MLS or other statistical data
7.3	7.3	Was the Neighborhood section of the Subject Appraisal free of other errors and/or deficiencies that have a significant impact on the health, safety, marketability or value of the Subject Property? (If NO, please list errors and/or deficiencies.)	<ul style="list-style-type: none"> Various
7.4	7.4	Were there fewer than three errors or deficiencies in the Neighborhood section of the Subject Appraisal? (If NO, list all errors and/or deficiencies, including but not limited to the NO responses above.)	
		Section 8. Site	
8.1	8.1	Was the Site area accurately reported?	<ul style="list-style-type: none"> Current certified survey Real property tax record



V1 Form	V2 Form	Violation	Possible Supporting Documentation
8.2	8.2	Was the Zoning compliance correctly indicated? (e.g., Legal, Legal nonconforming, Illegal, No zoning)	<ul style="list-style-type: none"> Real property tax record Zoning map including delineation of subject boundaries, plus copy of applicable zoning code section
8.3	8.3	Was the Subject Property's Zoning classification accurately described and reported?	<ul style="list-style-type: none"> Zoning map/book
8.4	8.4	Were all Utilities correctly indicated and/or described? (e.g., water, sewer, etc.)	<ul style="list-style-type: none"> Local utility records Local water authority record Photograph showing relationship of site to utilities/ off-site improvements
8.5	8.5	Were all other Site attributes accurately described? (e.g., Topography, Shape, Drainage, View, etc.)	<ul style="list-style-type: none"> Photographs Survey
8.6	8.6	Did the Subject Appraisal correctly indicate whether the Subject Property is located in a Special Flood Hazard Area?	<ul style="list-style-type: none"> FEMA flood map or elevation certification from engineer
8.7	8.7	Was the Site section of the Subject Appraisal free of other errors and/or deficiencies that have a significant impact on the health, safety, marketability or value of the Subject Property? (If NO, please list errors and/or deficiencies.)	<ul style="list-style-type: none"> Photograph with apparent adverse easement or encroachment Real property tax record Site plan with dimensions and easements
8.8	8.8	Were there fewer than three errors or deficiencies in the Site section of the Subject Appraisal? (If NO, list all errors and/or deficiencies, including but not limited to the NO responses above.)	<ul style="list-style-type: none"> Various
Section 9. Property Description			
9.1	9.1	Was the Type of dwelling (e.g., detached, attached, semi-detached) accurately described?	<ul style="list-style-type: none"> Photographs showing all sides of house or photographs of mailboxes and utility meters Property tax record/ plat map Review appraiser's report and drawing (interior sketch)
9.2	9.2	Was the actual Age of the dwelling accurately reported?	<ul style="list-style-type: none"> Evidence that structure is less than one year old as contained in building permit, certificate of occupancy, or real estate tax record



V1 Form	V2 Form	Violation	Possible Supporting Documentation
			<ul style="list-style-type: none"> Photograph of vacant job site
9.3	9.3	If the Subject Property is Manufactured Housing, was it correctly indicated on the URAR? (If not applicable, check YES.)	<ul style="list-style-type: none"> Photograph of HUD tag or serial number
9.4	9.4	If the Subject Property is Manufactured Housing, did the Subject Appraisal require the removal of transport equipment if applicable? (If unable to observe due to restricted access, provide explanation; OR if not applicable, check YES.)	<ul style="list-style-type: none"> Photograph
9.5	9.5	If Subject Property is Manufactured Housing, did the Subject Appraisal require installation of a permanent foundation if applicable? (If unable to observe due to restricted access, provide explanation; OR if not applicable, check YES.)	<ul style="list-style-type: none"> Photograph
9.6	9.6	If the Subject Property is Manufactured Housing, was the serial number(s) accurately reported? (If unable to observe due to restricted access, provide explanation; OR if not applicable, check YES.)	<ul style="list-style-type: none"> Tax Assessment Records
9.7	9.7	Was the Exterior description of the Subject Property free of other errors and/or deficiencies that have a significant impact on the health, safety, marketability or value? (If NO, list errors and/or deficiencies.)	<ul style="list-style-type: none"> Various
9.8	9.8	Were there fewer than three errors or deficiencies with the Exterior description of the Subject Property? (If NO, list all errors and/or deficiencies, including but not limited to the NO responses above.)	Various
Section 10. Interior Description of the Subject Property			
N/A	10.1	Was the number of Units accurately reported?	<ul style="list-style-type: none"> Local zoning office bureau or permits and licenses
N/A	10.2	Was the Condition of the Improvements accurately described?	<ul style="list-style-type: none"> Photograph or tax record or other
N/A	10.3	Was the Gross Living Area (GLA) estimate reported on the Subject Appraisal within 10% of the 1038 Field Review GLA estimate?	<ul style="list-style-type: none"> Condominium documents Discrepancies in floor plans versus level area square feet Real property tax record



V1 Form	V2 Form	Violation	Possible Supporting Documentation
		Example: Greater GLA minus Lesser GLA equals GLA difference. GLA difference divided by review GLA equals percentage difference of GLA.	<ul style="list-style-type: none"> Recorded plat map or property survey showing dimensions of improvements Review appraiser's estimates (using measuring device)
N/A	10.4	Was the Subject Property's Above Grade Room Count accurately reported?	<ul style="list-style-type: none"> Floor plan from review appraiser
N/A	10.5	Was the presence of Basement/Slab/Crawl Space correctly indicated?	<ul style="list-style-type: none"> Photograph or tax record or other
N/A	10.6	Was the type of Heating System accurately described? (If none, check YES.)	<ul style="list-style-type: none"> Photograph, Party to transaction, MLS
N/A	10.7	Was the type of Cooling System accurately described? (If none, check YES.)	<ul style="list-style-type: none"> Photograph, Party to transaction, MLS
N/A	10.8	Was the Interior description of the Subject Property free of other errors and/or deficiencies that have a significant impact on the health, safety, marketability or value? (If NO, please list errors and/or deficiencies.)	<ul style="list-style-type: none"> Appraisal Photograph
N/A	10.9	Were there fewer than two errors or deficiencies with the Interior description of the Subject Property? (If NO, list all errors and/or deficiencies, including but not limited to the NO responses above.)	<ul style="list-style-type: none"> Appraisal Photograph
Section 11. Cost Approach			
11.1	11.1	If the Cost Approach was required, was it included? (If not required, check YES.)	<ul style="list-style-type: none"> Evidence that structure is less than one year old as contained in building permit, certificate of occupancy, or real estate tax record Photograph of vacant subject site
11.2	11.2	Was the Estimated Site Value reasonable? (If not applicable, check YES.)	<ul style="list-style-type: none"> Land sales documented by tax records
N/A	11.3	Was the Total Estimated Cost New (<i>before</i> Depreciation) reasonable? (If not applicable, check YES.)	<ul style="list-style-type: none"> Appraisal Notes from discussions with buyer, seller, broker, or other knowledgeable person, including name, date, and telephone number
N/A	11.4	Was the Depreciation estimate reported on the Subject Appraisal within 10% of the 1038 Field Review Depreciation estimate? (If not applicable, check YES.)	<ul style="list-style-type: none"> Appraisal



V1 Form	V2 Form	Violation	Possible Supporting Documentation
		Example: Greater Depreciation amount minus Lesser Depreciation amount equals Depreciation difference. Depreciation difference divided by review Depreciation equals percentage difference of Depreciation.	
N/A	11.5	Were there fewer than three errors or deficiencies in the Cost Approach? (If NO, list all errors and/or deficiencies, including but not limited to the NO responses above. If not applicable, check YES.)	<ul style="list-style-type: none"> • Error in site value • Inappropriate site value or cost/ site value
Section 12. Sales Comparison Approach			
12.1	12.1	Were the Comparable Sales used the best ones available as of the effective date of the Subject Appraisal and representative of the subject market? (If NO, provide narrative explanation and include the following items that are required as supporting documentation in the addenda: 1) New sales comparison analysis grid (URAR) utilizing three comparable sales, 2) New photograph(s), 3) New location map.	<ul style="list-style-type: none"> • New sales comparison analysis grid (URAR) • New photograph • New location map
12.2	12.2	Were the Comparables' transaction data and verification sources provided per HUD guidelines?	<ul style="list-style-type: none"> • Appraisal
12.3	12.3	If any of the Comparable Sales were not verified with someone who had first hand knowledge of the transaction, did the Subject Appraisal clearly state how the sale was verified and to what extent? (If not applicable, check YES.)	<ul style="list-style-type: none"> • Appraisal
12.4	12.4	Was the Comparable Sales data accurate and complete? (Including but not limited to correct photographs.)	<ul style="list-style-type: none"> • Appraisal • Notes from discussions with buyer, seller, broker, or other knowledgeable person, including name, date, and telephone number • MLS • Deed records
12.5	12.5	Were the Comparables' Sales and financing concessions accurately reported and adjusted where appropriate per HUD guidelines?	<ul style="list-style-type: none"> • Purchase contracts • Real Property tax record • HUD-1 forms • Data from real estate tax assessor
12.6	12.6	Were all transactions involving the Comparable Sales within the twelve months prior to the effective date of the Subject	<ul style="list-style-type: none"> • Appraisal • MLS



V1 Form	V2 Form	Violation	Possible Supporting Documentation
		Appraisal, accurately disclosed and adequately analyzed?	<ul style="list-style-type: none"> • Deed records
12.7	12.7	Were the adjustments to the Comparable Sales applied consistently?	<ul style="list-style-type: none"> • Appraisal
12.8	12.8	Were the adjustments to the Comparable Sales reasonable?	<ul style="list-style-type: none"> • Notes from discussions with buyer, seller, broker, or other knowledgeable person, including name, date, and telephone number, citing specific concession • MLS
12.9	12.9	Were all line-item adjustments exceeding 10% of the Comparable sale price explained? (If not applicable, check YES.)	<ul style="list-style-type: none"> • Appraisal
12.10	12.10	Were all gross adjustments exceeding 25% of the Comparable sale price explained? (If not applicable, check YES.)	<ul style="list-style-type: none"> • Appraisal
12.11	12.11	Were explanations provided for all Comparable Sales dates beyond six months but less than twelve months prior to the effective date of the Subject Appraisal? (If not applicable, check YES.)	<ul style="list-style-type: none"> • Appraisal
12.12	12.12	Did the sale dates of Comparable Sales 1, 2, and 3 occur within the 12 months prior to the effective date of the Subject Appraisal?	<ul style="list-style-type: none"> • Appraisal
Section 13. Income Approach			
13.1	13.1	If applicable and/or completed within the Subject Appraisal, was the Income Approach correctly developed? (If not applicable, check YES.)	<ul style="list-style-type: none"> • Evidence that the Subject Property contains three or more units (photograph, real estate tax record, etc.) • Copy of lease(s) to tenants at the Subject Property • Copy of correspondence between the tenant and landlord of Subject Property referring to any agreed-upon lease terms of payment • Copy of ground lease
Section 14. Reconciliation			
14.1	14.1	Was the Estimate of Market Value of the Subject Appraisal within the range of the applicable approaches to value?	<ul style="list-style-type: none"> • Obsolete or irrelevant data (field review appraiser must supply better data on subject and Comparables to justify different value conclusion; independent opinion of a second review appraiser may be necessary)



V1 Form	V2 Form	Violation	Possible Supporting Documentation
14.2	14.2	Was the Estimate of Market Value correctly conditioned? (e.g., "as is," "subject to repairs," or "subject to completion")	
14.3	14.3	Were accurate comments and analysis provided regarding the Subject Property's current agreement of sale, option, or listing, and were they considered in the Subject Appraisal as required by USPAP Standards Rule 1-5 (a)(c)?	<ul style="list-style-type: none"> Appraisal
14.4	14.4	Were <i>all</i> Subject Property transactions within 12 months prior to the effective date of the Subject Appraisal properly disclosed and analyzed as required by USPAP Standards Rule 1-5 (b)(c)?	<ul style="list-style-type: none"> Copy of ratified agreement of sale Signed letter from broker, buyer, or seller identifying the Subject Property and stating that it is under agreement Deed or public record for subject indicating sale of property within one year prior to effective date of value
14.5	14.5	Did the Subject Appraisal adequately explain any substantial increase in price from the Subject Property's prior transaction to the current transaction? (If not applicable, check YES.)	<ul style="list-style-type: none"> MLS data, receipts for renovations
		Section 15. Value Indicators	
15.1	15.1	Was the Estimate of Market Value of the Subject Appraisal within 10% of the Final Reconciled 1038 Field Review Value? (If not applicable, check YES.)	<ul style="list-style-type: none"> Better Comparable data Better report on conditions to be repaired reflecting change in value Better/ more accurate market-extracted adjustments Independent opinion of a second review appraiser may be necessary
		Section 16. Valuation Conditions (VC) Form and Homebuyer Summary	
16.1	16.1	Were all readily observable Site Hazards correctly indicated per VC-1?	<ul style="list-style-type: none"> Survey identifying slush pit Photograph identifying any readily observable evidence of slush pit, operating oil or gas well (within 300' for existing construction or 75' if new or proposed), abandoned oil or gas well within 10' Photograph identifying relationship of site to passing traffic Map of airport contour or runway clear zone indicating location of subject



V1 Form	V2 Form	Violation	Possible Supporting Documentation
			<ul style="list-style-type: none"> Map or photograph indicating proximity of subject to high-pressure gas or high-voltage transmission line Review appraiser's observations of smoke, fire, offensive noises or odors, or (within 300') stationary storage tanks
16.2	16.2	Were all readily observable Soil Contamination Hazards correctly indicated per VC-2?	<ul style="list-style-type: none"> Photograph showing observable evidence of on-site septic system failure or underground storage tank Photograph indicating pool of liquid, pit, pond, lagoon, stressed vegetation, stained soil or pavement, drum, or odor Map indicating proximity of subject to dump, landfill, heavy industrial site, or other location that could contain hazardous material
16.3	16.3	Was all readily observable evidence of Grading and/or Drainage problems correctly indicated per VC-3?	<ul style="list-style-type: none"> Photograph showing standing water proximate to subject accompanied by evidence that structure has no mitigation measures such as gutter or downspouts
16.4	16.4	If Subject Property lacks connection to public water, was it correctly indicated per VC-4?	<ul style="list-style-type: none"> Letter from county or public utilities/ Department of Water and Sewer Photographs of on-site evidence of septic tank with detailed descriptions
16.5	16.5	If Subject Property lacks connection with public/community sewer system, was this correctly indicated per VC-4?	<ul style="list-style-type: none"> Photographs
16.6	16.6	If private septic system is present, were readily observable indications of system malfunctions correctly indicated? (If public sewer access, check YES.)	<ul style="list-style-type: none"> Photographs of on-site evidence of septic tank
16.7	16.7	Were all Wood Destroying Insect issues correctly indicated per VC-5?	<ul style="list-style-type: none"> Photographs of wood infestation Termite report from pest control operator and NPCA1 form Home inspection report
16.8	16.8	Were all Private Road Access and Maintenance issues correctly indicated per VC-6?	<ul style="list-style-type: none"> Photograph or site plan indicating relationship of subject site to vehicular and pedestrian access Private road maintenance agreement as indicated in deed
16.9	16.9	Was all readily observable evidence of Structural problems correctly indicated per VC-7?	<ul style="list-style-type: none"> Home inspection report Photographs of defects Structural engineer report



V1 Form	V2 Form	Violation	Possible Supporting Documentation
16.10	16.10	Was all readily observable evidence of Foundation problems correctly indicated per VC-8?	<ul style="list-style-type: none"> • Home inspection report • Photographs of defects
16.11	16.11	Was all readily observable evidence of Roofing problems correctly indicated per VC-9?	<ul style="list-style-type: none"> • Home inspection report • Photographs of defects • Letter from contractor, such as roofer, etc.
16.12	16.12	Was all readily observable evidence of Mechanical System problems correctly indicated per VC-10?	<ul style="list-style-type: none"> • Home inspection report • Photograph of condemnation notice from local utility company affixed to subject appliance
16.13	16.13	Was all readily observable evidence of Health and/or Safety issues correctly indicated per VC-11? (e.g. broken or inoperable windows or doors, steps without handrails, blocked entrances or exits, etc.)	<ul style="list-style-type: none"> • Home inspection report • Photographs of defects • Structural engineer report
16.14	16.14	Was all readily observable evidence of Lead Based Paint Hazards correctly indicated per VC-12?	<ul style="list-style-type: none"> • If the home was built before 1978, photographs of defective paint surfaces
16.15	16.15	Were all Condominium and PUD issues correctly indicated per VC-13? (If not applicable, check YES.)	<ul style="list-style-type: none"> • Copy of budget for homeowner/ condominium association • Real property tax record • Deed to common area by a homeowner or condominium association • Lease of common area to homeowner or condominium association
16.16	16.16	Were all conditions noted on the Valuation Conditions form also disclosed on the Homebuyer Summary? (If not applicable, check YES. If the conditions on each document listed were not substantially identical, check NO and list the differences.)	
Section 17. Other Issues			
17.1	17.1	Were all the repairs indicated on the VC form completed as of the date of the 1038 Field Review? (If NO, please list each incomplete repair.)	Describe and photograph items not completed
17.2	17.2	Was the Subject Appraisal free of other errors and/or deficiencies (in addition to those already noted on the 1038 Field Review?)	Describe and photograph items not completed
17.3	17.3	Other Issues, Observations or Comments	



V1 Form	V2 Form	Violation	Possible Supporting Documentation
17.4	17.4	Suggestions for improving this form	



Appendix G – Acceptable/Unacceptable Comments Table

This document provides some examples of appropriate and inappropriate comments for all AQA questions resulting in a “No” response. (The review appraiser is required to provide comments for all “No” responses.) REAC’s automated system will flag any questions where the review appraiser failed to provide comments as required. Using this document to develop comments will aid in providing REAC with comments that are helpful in the evaluation of the quality and acceptability of an appraisal. This document represents the questions as they appear on the V2 form. Any differences on the V1 form are noted in (parenthesis).

Note that in addition to typing an appropriate comment as exemplified in this document, the review appraiser must also list supporting documentation supporting the “No” response in the **Comments** box. The following pages contain examples of “acceptable” and “unacceptable” comments.

This section also contains a **Frequently Asked Questions (FAQs)** section that should be utilized to address concerns as to how to appropriately answer specific questions.



SASS Online, Version 4.0 Review Appraiser Frequently Asked Questions

1. Question 1.8 asks for Date Field Review conducted. What is the appropriate entry for this item?

Enter the date of the review appraiser's site visit.

2. Questions 8.7, 9.7, and 10.8 reference errors and omissions that have a significant impact on value, health, safety, or continued marketability. What is meant by *significant*?

An item or deficiency is considered "significant" if it is material to the value conclusion or the integrity of the report. That is, if changing or correcting it would either affect the value, or cause the reader to reach a different conclusion about the property.

3. Question 9.5 asks whether the Appraisal required installation of a permanent foundation, if the Subject property is Manufactured Housing. What is the purpose of this question?

If the Reviewer observes evidence of a lack of a permanent foundation (e.g. vinyl or aluminum skirting, etc.) the Reviewer should describe their observations and support them with photographs. If the Appraisal was not conditioned on installation of a permanent foundation, check NO. Otherwise, check YES.

4. Question 12.1 asks whether the comparable sales used in the appraisal were the best available. If the Reviewer disagrees, what is the appropriate response?

Comparable selection is a subjective process, and each appraiser may have their own opinion as to which comparables constitute the best ones, and why. If the Reviewer does not agree with the Appraiser's selection of comparable sales, check NO, and complete a new sales grid in conformance with the requirements of HUD Handbook 4150.2 Chapter 4. The Reviewer should explain their choice of Comparable sales including why the replacement sale(s) are superior to the original Comparable sales.

5. When is the Reviewer required to submit a new sales/adjustment grid?

The Reviewer is required to submit a new sales/adjustment grid (completed on the URAR form or its equivalent) under the following circumstances:

- a) When the Reviewer's final value estimate varies from the Appraiser's by greater than 10%.
- b) When one or more of the Comparable sales in the Subject Appraisal is deemed inappropriate or inadequate.
For example: If *one* Comparable sale in the original appraisal is inadequate or inappropriate, the Reviewer shall furnish a grid showing *two* of the original appraiser's appropriate comparables properties, *plus one* new comparable property supplied by the Reviewer.
If *two* comparable properties are inadequate or inappropriate, the Reviewer shall furnish *two new* comparable properties *plus one* appropriate comparable property from the original appraisal on the new grid.

The Reviewer should submit a new sales/adjustment grid as supporting documentation when the Reviewer disagrees with the Appraiser's adjustments to the Comparable sales.



6. Question 16.7 asks whether all Wood Destroying Insect issues were correctly indicated per VC-5? What is meant by this question?

VC-5 is a two-part issue.

- 1) VC-5a asks whether the structure is ground level and/or wood is touching the ground. VC-5a should always be checked YES - the *structure* is always ground level, regardless of its location, even within a condominium project or in a geographic area where a termite inspection is not required. On page 4 of the VC form the VC item would be referenced by number and section followed with a comment describing the Subject property's locational characteristics, i.e. "the Subject is a 3rd floor unit in a condominium project". An equivalent comment should be disclosed on the Homebuyer Summary, with substantially similar wording in the appropriate location. This instructional requirement allows for accurate reporting and proper disclosure to a prospective homebuyer. It also places the responsibility of waiving the pest inspection requirement, if any, on the lender.
- 2) VC-5b specifically addresses evidence of active *termite* infestation. The Reviewer should refer to the protocol in Handbook 4150.2, Appendix D-28 when responding. *Both* parts to section VC-5 must be answered appropriately by the Appraiser in order for the Reviewer's response to be YES to this 1038 Field Review question.

7. If the Cost Approach or Income Approach was applicable but omitted from the appraisal, does this require me to complete these approaches to value myself?

No.

8. Questions 11.2 through 11.5 address the appraiser's performance of the Cost Approach. What if the Cost Approach was not applicable but performed anyway?

If the Cost Approach is included as part of the appraisal, it must be reviewed, and Questions 11.2 through 11.5 must be considered by the Reviewer.

9. The Subject was identified as a four-unit property but in fact consists of more than four units. Therefore it is ineligible for FHA mortgage insurance.

a) Must I re-value the property?

No. HUD does not consider valuation of larger multi-unit properties to be within the scope of the 1038 Field Review. See b) below for further instructions.

b) Do I stop work?

No. A finding that the property contains more than four units, when properly documented, has multiple implications on the 1038 Field Review form. Among these are 1) Highest and Best Use issues, which should be addressed under Question 8.7 of the 1038 Field Review form. 2) the Appraiser's selection of Comparable sales, which would contribute to a misleading report; and 3) other issues identified during the review process.

The Reviewer should:

- 1) Check NO in response to Question 10.1
- 2) Check NO in response to Question 12.1, but do not complete a replacement sales grid.
- 3) Complete the 1038 Final Reconciliation Value field with a "0" for the value.



4) Check NO in response to Question 15.1, explain that the property is ineligible for insurance, and provide supporting documentation showing the actual number of units (e.g. photographs of mailboxes, meters, etc., public records)



ACCEPTABLE/ UNACCEPTABLE COMMENTS

QUESTIONS	YES	NO	COMMENT
3.1 Did you take the required rear photograph of the Subject Property?		X	

Examples of Acceptable Comments

- ✓ Could not take photograph because of fence, resulting in an obstructed view.
- ✓ Could not gain access because alleyway to the rear of the subject property was gated and locked.

Examples of Unacceptable Comments

- ✗ Rear of home could not be determined.

QUESTIONS	YES	NO	COMMENT
3.2 Did you attach a Scope of Work including all extraordinary assumptions for the 1038 Field Review? (To be USPAP compliant, a Scope of Work must be attached.)		X	

Examples of Acceptable Comments

- ✓ (none)

Examples of Unacceptable Comments

- ✗ The scope of work is as per the HUD contract.
- ✗ See the HUD Desktop Guide for the scope of work.

QUESTIONS	YES	NO	COMMENT
4.1 Signed Appraisal Report Form (URAR, Form 1025, or Form 1073)		X	

Examples of Acceptable Comments

- ✓ Appraisal report received but not signed.
- ✓ Contacted appraiser at (555) 555-5555 and lender at (222) 222-2222, both refused to furnish signed appraisal report form.

Examples of Unacceptable Comments

- ✗ None.

QUESTIONS	YES	NO	COMMENT
4.2 Photographs of Subject Property and Comparables		X	

Examples of Acceptable Comments

- ✓ Contacted appraiser at (555) 555-5555 and lender at (222) 222-2222, both refused to furnish photographs of subject property and/or comparables.

Examples of Unacceptable Comments

- ✗ Photographs are not provided.



QUESTIONS	YES	NO	COMMENT
4.3 Location Map		X	

Examples of Acceptable Comments

- ✓ Contacted appraiser at (555) 555-5555 and lender at (222) 222-2222, both refused to furnish location map.

Examples of Unacceptable Comments

- ✗ No Certification.
- ✗ No property sketch.
- ✗ Wrong map.
- ✗ Maps do not show street names.

QUESTIONS	YES	NO	COMMENT
4.4 Sketch of all improvements (e.g. dwelling, patio, porch, garage, etc.) including dimensions		X	

Examples of Acceptable Comments

- ✓ Sketch included with no dimensions.
- ✓ Contacted appraiser at (555) 555-5555 and lender at (222) 222-2222, both refused to furnish sketch.
- ✓ Sketch did not include all significant improvements (garages, patios, porch, etc).
- ✓ Sketch was included, dimensions wrong. (See revised sketch.)

Examples of Unacceptable Comments

- ✗ No Certification.
- ✗ The photocopy was very light.
- ✗ No sketch included.

QUESTIONS	YES	NO	COMMENT
4.5 Valuation Conditions (Form HUD 92564-VC) (Exceptions: If appraisal is for proposed or under construction properties or 203(k), check YES.)		X	

Examples of Acceptable Comments

- ✓ Contacted appraiser at (555) 555-5555 and lender at (222) 222-2222, both refused to furnish VC form.

Examples of Unacceptable Comments

- ✗ VC form not provided.
- ✗ New construction, not required.

QUESTIONS	YES	NO	COMMENT
4.6 Homebuyer Summary (Form HUD 92564-HS) (Exceptions: If appraisal is for proposed or under construction properties, 203(k), or streamline refinancing, check YES.)		X	

Examples of Acceptable Comments

- ✓ Contacted lender at (222) 222-2222, appraiser at (555) 555-5555, and homeowner at (333) 333-3333, all refused to provide Homebuyer Summary.

Examples of Unacceptable Comments

- ✗ Homebuyer Summary not provided.
- ✗ Not required, per Homebuyer Summary.



QUESTIONS	YES	NO	COMMENT
4.7 Signed Certification		X	

Examples of Acceptable Comments

- ✓ Contacted lender at (222) 222-2222 and appraiser at (555) 555-5555, both refused to provide signed certification.
- ✓ Certification provided but not signed.

Examples of Unacceptable Comments

- ✗ Signed certification not provided.

QUESTIONS	YES	NO	COMMENT
4.8 Assumptions and Limiting Conditions		X	

Examples of Acceptable Comments

- ✓ Contacted lender at (222) 222-2222 and appraiser at (555) 555-5555, both refused to provide signed Assumptions and Limiting Conditions.

Examples of Unacceptable Comments

- ✗ Assumptions and limiting conditions not provided.

QUESTIONS	YES	NO	COMMENT
4.9 Scope, Purpose and Intended User Addenda		X	

Examples of Acceptable Comments

- ✓ The intended user was not identified.
- ✓ The purpose was not identified.
- ✓ Report did not list HUD or FHA as an intended user.

Examples of Unacceptable Comments

- ✗ Scope, purpose, and intended user were specified but not in an addendum.

QUESTIONS	YES	NO	COMMENT
4.10 Was the assigned FHA appraiser (Question 2.6) the same as the actual Appraiser (not the Supervisory Appraiser)? (If they are the same, check YES. If not, check NO and enter the name).		X	

Examples of Acceptable Comments

- ✓ Although John Brown is listed as the assigned appraiser, Bob Smith (license # -- ----) was the signer of the URAR and Certification.

Examples of Unacceptable Comments

- ✗ Bob Smith signed the report, but it is well known that he assigns his work to others.

QUESTIONS	YES	NO	COMMENTS
5.1 Did the Subject Appraisal provide evidence that the Subject Appraiser visually inspected the Subject Property?		X	

Examples of Acceptable Comments

- ✓ Photographs show wrong subject, photographs of correct subject are included. (See supporting documents.)
- ✓ Photos taken off MLS and information reported does not match information

Examples of Unacceptable Comments

- ✗ Photographs are too dark.
- ✗ Photographs not provided.



gathered by reviewer. (See supporting documents.)

- ✓ Appraiser's signature differs on URAR from signature on Homebuyer Summary and/or the Signed Certification.

QUESTIONS	YES	NO	COMMENTS
5.2 Did the Subject Appraisal provide evidence that the Subject Appraiser visually inspected all comparables?		X	

Examples of Acceptable Comments

- ✓ Photograph of Comparable No. 3 shows wrong house, photo of correct house is included with MLS card and photograph.
- ✓ Photos taken off MLS and information reported on URAR does not match information gathered by reviewer.
- ✓ Appraiser's signature differs on URAR from signature on Homebuyer Summary and/or the signed certification.

Examples of Unacceptable Comments

- ✗ Photographs are too dark.
- ✗ Photographs were not provided.

QUESTIONS	YES	NO	COMMENTS
6.1 Were the Property Rights appraised correctly identified? (e.g., Fee Simple or Leasehold)		X	

Examples of Acceptable Comments

- ✓ Appraisal report incorrectly states that ownership is fee simple, ownership is actually leasehold, see attached copy of deed.

Examples of Unacceptable Comments

- ✗ Property rights are leasehold.

QUESTIONS	YES	NO	COMMENTS
6.2 Was the Subject section of the Subject Appraisal free of other errors and deficiencies?		X	

Examples of Acceptable Comments

- ✓ Borrower section of the appraisal report is blank.
- ✓ Owner was identified as Mr. Jones, however owner of record at the time of inspection was Mr. Smith, see attached public record.
- ✓ Census tract was misreported. (See attached census tract information.)
- ✓ Taxes were misreported. (See attached public record or tax bill.)

Examples of Unacceptable Comments

- ✗ Owner of record is incorrect.



QUESTIONS	YES	NO	COMMENTS
7.1 Were the north, south, east, and west Neighborhood Boundaries accurately described?		X	

Examples of Acceptable Comments

- ✓ Neighborhood boundaries were not specified in each direction.
- ✓ Neighborhood boundaries were described to north and east but not south and west.
- ✓ Subject is not located within the boundaries cited. (See attached map with correct location of subject.)

Examples of Unacceptable Comments

- ✗ The described boundaries are incorrect.
- ✗ Zip code would be better.
- ✗ The described boundaries are too broad.

QUESTIONS	YES	NO	COMMENTS
7.2 Were the Neighborhood Price Range and Predominant Value accurately reported? (If NO, please provide the correct price range and predominant value.)		X	

Examples of Acceptable Comments

- ✓ Price Range and/or Predominant Value are not accurately reported. The correct range is _ to _ with a Predominant Value of _ . (See MLS data attached.)
- ✓ The low price range should be \$50,000 not \$75,000 to include the prices reflected in X sub-division. (See MLS data attached.)

Examples of Unacceptable Comments

- ✗ Predominant value appears too high.
- ✗ No comments on marketing time.
- ✗ Comments provided on exposure period but not marketing time.

QUESTIONS	YES	NO	COMMENTS
7.3 Was the Neighborhood section of the Subject Appraisal free of other errors and/or deficiencies that have a significant impact on the health, safety, marketability or value of the Subject Property? (If NO, please list errors and/or deficiencies.)		X	

Examples of Acceptable Comments

- ✓ Appraisal report did not note [any of the following: location, % built up, growth rate, property values, occupancy, home prices, land use].
- ✓ Appraisal report did not indicate factors affecting marketability of the properties.
- ✓ Appraisal report did not comment on market conditions.

Examples of Unacceptable Comments

- ✗ Inaccurate market conditions cited.
- ✗ Inaccurate marketability factors cited.
- ✗ Neighborhood boundaries not described.
- ✗ Demand/supply not commented upon.
- ✗ Marketing time not commented upon.
- ✗ Concessions not commented upon.



QUESTIONS	YES	NO	COMMENTS
7.4 Were there fewer than three errors or deficiencies in the Neighborhood section of the Subject Appraisal? (If NO, please list errors and/or deficiencies, including but not limited to the NO responses above.)		X	

Examples of Acceptable Comments

- ✓ Appraisal report did not note [any of the following: location, % built up, growth rate, property values, occupancy, home prices, land use].
- ✓ Appraisal report did not indicate factors affecting marketability of the properties.
- ✓ Appraisal report did not comment on market conditions.

Examples of Unacceptable Comments

- ✗ Inaccurate market conditions cited.
- ✗ Inaccurate marketability factors cited.
- ✗ Neighborhood boundaries not described.
- ✗ Demand/supply not commented upon.
- ✗ Marketing time not commented upon.
- ✗ Concessions not commented upon.

QUESTIONS	YES	NO	COMMENTS
8.1 Was the Site area accurately reported?		X	

Examples of Acceptable Comments

- ✓ Property's site area is cited as 1.71 acres. According to [deed/plat map/etc.], however, site area is only 0.8 acres. [Deed/Plat map] is included.

Examples of Unacceptable Comments

- ✗ Property's site area is incorrect.
- ✗ Dimensions not provided.

QUESTIONS	YES	NO	COMMENTS
8.2 Was the Zoning compliance correctly indicated? (e.g., Legal, Legal nonconforming, illegal, No zoning)		X	

Examples of Acceptable Comments

- ✓ According to the zoning map and zoning code, the property's zoning compliance is a legal non-conforming use; the appraisal report indicates that compliance is an illegal use.

Examples of Unacceptable Comments

- ✗ Zoning is incorrect.
- ✗ Property's zoning classification (R-1, R-3, etc) is wrong.
- ✗ Zoning is R-2 not R-3.

QUESTIONS	YES	NO	COMMENTS
8.3 Was the Subject Property's Zoning accurately described and reported?		X	

Examples of Acceptable Comments

- ✓ Appraisal report cites zoning as single family residential. Correct zoning is C1A, Commercial/Retail. (See attached public record.)

Examples of Unacceptable Comments

- ✗ Correct zoning is C1A per attached public record.
- ✗ Correct zoning is PDF-AQA-NIMBY per attached public record.



QUESTIONS	YES	NO	COMMENTS
8.4 Were all Utilities correctly indicated and/or described? (e.g., water, sewer, etc.)		X	

Examples of Acceptable Comments

- ✓ Water source or other enumerated utilities were not identified.
- ✓ According to the attached photograph, ___ utility is provided by ___, not by ___ as indicated in the appraisal report.
- ✓ The utilities section of the appraisal report was left blank.
- ✓ Public gas utility was omitted from URAR, however under HEATING description (and per my interior inspection) subject property includes a gas furnace. (See photograph of gas meter attached.)

Examples of Unacceptable Comments

- ✗ Water source was incorrect.

QUESTIONS	YES	NO	COMMENTS
8.5 Were all other Site attributes accurately described? (e.g., Topography, Shape, Drainage, View, etc.)		X	

Examples of Acceptable Comments

- ✓ View of junkyard from subject property, exhibited in the attached photograph, was not identified in the appraisal report.
- ✓ Property does not have views of the Pacific Ocean cited in appraisal. (See attached photographs.)
- ✓ Shape of site is rectangular. (See attached plat.)
- ✓ Subject is a corner parcel, as indicated on attached plat map.

Examples of Unacceptable Comments

- ✗ Subject's views/topography/drainage is poor. Appraisal does not mention this.

QUESTIONS	YES	NO	COMMENTS
8.6 Did the Subject Appraisal correctly indicate whether the Subject Property is located in a Special Flood Hazard Area?		X	

Examples of Acceptable Comments

- ✓ According to attached [FEMA flood map no. ___/ engineer's certification], the property is located in Zone __, Areas of ___ Flooding. Appraisal identifies flood zone as Zone __, Areas of ___ Flooding. See attached flood map (review was correct, original was incorrect.) *Comment only acceptable if appraisal report fails to disclose special flood hazard area.* According to attached [FEMA flood map no. ___/ engineer's certification], the property is located in Zone __, Areas of ___

Examples of Unacceptable Comments

- ✗ Property appears to be in flood plain. Further research needed.
- ✗ There is a large unidentified creek in the rear yard.
- ✗ Appraisal report states wrong FEMA zone, map date or map number.



Flooding. Appraisal identifies flood zone as Zone __, Areas of ___ Flooding.

- ✓ See attached flood map (review was correct, original was incorrect.) *Comment only acceptable if appraisal report fails to disclose special flood hazard area.*

QUESTIONS	YES	NO	COMMENTS
8.7 Was the Site section of the Subject Appraisal free of other errors and/or deficiencies that have a significant impact on the health, safety, marketability or value of the Subject Property? (If NO, please list errors and/or deficiencies.)		X	

Examples of Acceptable Comments

- ✓ Corner lot not indicated.
- ✓ Highest and best use not indicated.
- ✓ Off-site improvements are not correct (see photograph of street light).
- ✓ No site dimensions, site sketch, or legal boundary description were provided.
- ✓ Storm sewer was not identified. (See photographs of storm sewer.)

Examples of Unacceptable Comments

- ✗ Highest and best use incorrect.
- ✗ Site area incomplete/incorrect.
- ✗ Zoning compliance incomplete/incorrect.

QUESTIONS	YES	NO	COMMENTS
8.8 Were there fewer than three errors or deficiencies in the Site section of the Subject Appraisal? (If NO, list all errors and/or deficiencies, including but not limited to the NO responses above.)		X	

Examples of Acceptable Comments

- ✓ Corner lot not indicated.
- ✓ Highest and best use not indicated.
- ✓ Off-site improvements are not correct (see photograph of street light.).

Examples of Unacceptable Comments

- ✗ Highest and best use incorrect.
- ✗ Site area incomplete/incorrect.
- ✗ Zoning compliance incomplete/incorrect.

QUESTIONS	YES	NO	COMMENTS
9.1 Was the Type of dwelling (e.g., detached, attached, semi-detached) accurately described?		X	

Examples of Acceptable Comments

- ✓ Subject is attached, not detached as indicated in the appraisal report. (See attached photograph.)

Examples of Unacceptable Comments

- ✗ Wrong type of residence.
- ✗ Subject is a split-level.



QUESTIONS	YES	NO	COMMENTS
9.2 Was the actual Age of the dwelling accurately reported?		X	

Examples of Acceptable Comments

- ✓ Attached occupancy permit indicates that house is six months old, rather than two years old as indicated in the appraisal.
- ✓ According to attached public records house is __ years old.

Examples of Unacceptable Comments

- ✗ Age of house was incorrectly reported.

QUESTIONS	YES	NO	COMMENTS
9.3 If the Subject Property is Manufactured Housing, was it correctly indicated on the URAR? (If not applicable, check YES)		X	

Examples of Acceptable Comments

- ✓ Appraisal report does not identify subject as manufactured housing. (See attached photograph of certification label/ transport equipment.)

Examples of Unacceptable Comments

- ✗ Subject appears to be manufactured housing.

QUESTIONS	YES	NO	COMMENTS
9.4 If the Subject Property is Manufactured Housing, did the Subject Appraisal require the removal of transport equipment if applicable? (If unable to observe due to restricted access, provide explanation; OR if not applicable, check YES.)		X	

Examples of Acceptable Comments

- ✓ Wheels and running gear were present. (See attached photograph.)

Examples of Unacceptable Comments

- ✗ Transport equipment appeared to be present.

QUESTIONS	YES	NO	COMMENTS
9.5 If Subject Property is Manufactured Housing, did the Subject Appraisal require the installation of a permanent foundation if applicable? (If unable to observe due to restricted access provide explanation; OR if not applicable, check YES.)		X	

Examples of Acceptable Comments

- ✓ Home has only vinyl skirting and no continuous perimeter foundation. (See attached photograph.)

Examples of Unacceptable Comments

- ✗ Home does not appear to be on a permanent foundation.



QUESTIONS	YES	NO	COMMENTS
9.6 If the Subject Property is Manufactured Housing, was the serial number(s) accurately reported? (If unable to observe due to restricted access, provide explanation; OR if not applicable, check YES.)		X	

Examples of Acceptable Comments

- ✓ The following serial number(s) _____ were not reported in the appraisal report. (See attached photograph of HUD seal.)

Examples of Unacceptable Comments

- ✗ Subject appears to be personal property and not real estate.

QUESTIONS	YES	NO	COMMENTS
9.7 Was the Exterior description of the Subject Property free of other errors and/or deficiencies that have a significant impact on the health, safety, marketability or value? (If NO, list errors and/or deficiencies.)		X	

Examples of Acceptable Comments

- ✓ Attached photograph indicates the report incorrectly identified the [roof type, etc.] as ____, the correct [roof type, etc.] is _____.
- ✓ [Foundation, Exterior wall, Roof surface, etc.] was not described.

Examples of Unacceptable Comments

- ✗ The appraiser did not fully complete the exterior section of the URAR.
- ✗ Photographs too blurry.

QUESTIONS	YES	NO	COMMENTS
9.8 Were there fewer than three errors or deficiencies with the Exterior description of the Subject Property? (If NO, list errors and/or deficiencies, including but not limited to the NO responses above.)		X	

Examples of Acceptable Comments

- ✓ See 9.7 above

Examples of Unacceptable Comments

- ✗ See 9.7 above.

QUESTIONS	YES	NO	COMMENTS
10.1 Were the number of Units accurately reported?		X	

Examples of Acceptable Comments

- ✓ Subject property includes 6 units, not 4. (See photographs of floor plans, sketch attached.)

Examples of Unacceptable Comments

- ✗ Subject appears to be more than four units.

QUESTIONS	YES	NO	COMMENTS
10.2 Was the Condition of the Improvements accurately described?		X	

Examples of Acceptable Comments

- ✓ Appraisal report lists walls in good condition. (See attached photographs of holes and cracks.)

Examples of Unacceptable Comments

- ✗ Appraisal lists walls in good condition, but they did not appear to be in good condition.



QUESTIONS	YES	NO	COMMENTS
10.3 Was the Gross Living Area (GLA) estimate reported on the Subject Appraisal within 10% of the 1038 Field Review GLA estimate? Example: Greater GLA minus Lesser GLA equals GLA difference. GLA difference divided by review GLA equals percentage difference of GLA.		X	

Examples of Acceptable Comments

- ✓ Appraisal report's square footage estimate is _____. Review appraiser measured the square footage as _____, as noted in the attached sketch. The difference is _____%.

Examples of Unacceptable Comments

- ✗ The report's estimate of square footage is wrong.
- ✗ Public records indicated square footage of x. This does not coincide with the appraiser's measurement of x.

QUESTIONS	YES	NO	COMMENTS
10.4 Was the Subject Property's Above Grade Room Count accurately reported?		X	

Examples of Acceptable Comments

- ✓ Appraisal report states room count as six, actual room count is four, see attached floor plan.
- ✓ Room count on Page 1 of URAR states 2.5 baths, comparable sales grid indicates 3.5 baths.

Examples of Unacceptable Comments

- ✗ Subject property appears to have less than six rooms.

QUESTIONS	YES	NO	COMMENTS
10.5 Was the presence of Basement/Crawl Space/Slab correctly indicated?		X	

Examples of Acceptable Comments

- ✓ Appraisal report noted that there was a crawl space, and review appraiser found no evidence of one.
- ✓ Basement shown in attached photograph was not identified.
- ✓ Appraisal report noted a slab, and review appraiser found a crawl space. (See photograph.)

Examples of Unacceptable Comments

- ✗ The appraiser did not fully complete the foundation section of the URAR.
- ✗ The appraiser did not photograph the basement/crawl space.
- ✗ Basement was not identified.

QUESTIONS	YES	NO	COMMENTS
10.6 Was the type of Heating System accurately described? (If none, check YES.)		X	

Examples of Acceptable Comments

- ✓ Attached photographs show baseboard heat, appraisal noted the heating type as forced warm air (FWA) gas.
- ✓ The heating section of the URAR was not completed. Existing heating system is

Examples of Unacceptable Comments

- ✗ The heating system was not correctly identified.



- ✓ Appraisal report lists forced air heat in comparable sales grid, but baseboard electric on front page.

QUESTIONS	YES	NO	COMMENTS
10.7 Was the type of Cooling System accurately described? (If none, check YES.)		X	

Examples of Acceptable Comments

- ✓ Appraisal report identifies only source of cooling as window units, however (see attached photograph) it has a 5-year old heat pump system.
- ✓ The cooling section of the URAR was not completed. Existing cooling system is _____.

Examples of Unacceptable Comments

- ✗ The subject has central air conditioning.
- ✗ Type of cooling system indicated is incorrect.

QUESTIONS	YES	NO	COMMENTS
10.8 Was the Interior description of the Subject Property free of other errors and/or deficiencies that have a significant impact on the health, safety, marketability or value? (If NO, please list errors and/or deficiencies.)		X	

Examples of Acceptable Comments

- ✓ Material condition for interior finishes were not indicated or described. (See appraisal form and/or photographs.)

Examples of Unacceptable Comments

- ✗ See above

QUESTIONS	YES	NO	COMMENTS
10.9 Were there fewer than two errors or deficiencies with the Interior description of the Subject Property? (If NO, please list errors and/or deficiencies, including but not limited to the NO responses above.)		X	

Examples of Acceptable Comments

- ✓ See 10.5, 10.6, and 10.7 above.

Examples of Unacceptable Comments

- ✗ See 10.5, 10.6, and 10.7 above.

QUESTIONS	YES	NO	COMMENTS
11.1 If the Cost Approach was required, was it included? (If not required, check YES.)		X	

Examples of Acceptable Comments

- ✓ The cost approach was required, but it was not used. The property was less than 12 months old, as evidenced by the attached occupancy permit.

Examples of Unacceptable Comments

- ✗ The cost approach was inadequate.



QUESTIONS	YES	NO	COMMENTS
11.2 Was the Estimated Site Value reasonable? (If not applicable, check YES.)		X	

Examples of Acceptable Comments

- ✓ The appraisal report indicated estimated site value of \$50,000 is 100% larger than the market extracted rate of \$25,000. See attached MLS printouts of current land sales and public record site assessments. Land sales data (see attached) indicates a range between \$5,000 and \$15,000 for subject's subdivision.

Examples of Unacceptable Comments

- ✗ The report's estimate of site value appears too high.

QUESTIONS	YES	NO	COMMENTS
11.3 Was the Total Estimated Cost New (<i>before Depreciation</i>) reasonable? (If not applicable, check YES.)		X	

Examples of Acceptable Comments

- ✓ Based on ___ cost service, the appraisal report's total estimated cost before depreciation is not reasonable. (See new cost approach and cost service pages attached.)

Examples of Unacceptable Comments

- ✗ Support for Cost New was inadequate.
- ✗ The cost indicator was not cited.
- ✗ Did not recognize and could not verify existence of source of appraiser's cost indicator.

QUESTIONS	YES	NO	COMMENTS
11.4 Was the Depreciation estimate reported within 10% of the 1038 Field Review Depreciation estimate? (If not applicable, check YES.) Example: Greater Depreciation amount minus Lesser Depreciation amount equals Depreciation difference. Depreciation difference divided by review Depreciation equals percentage difference of Depreciation.		X	

Examples of Acceptable Comments

- ✓ The appraisal report indicates depreciation of 10%. Given the age and condition of the property, depreciation of 25% is more appropriate. See attached Cost Approach.

Examples of Unacceptable Comments

- ✗ The depreciation estimate is not within 10% of my cost estimate.

QUESTIONS	YES	NO	COMMENTS
11.5 Were there fewer than three errors or deficiencies in the Cost Approach? (If NO, list errors and/or deficiencies, including but not limited to the NO responses above. If not applicable, check YES.)		X	

Examples of Acceptable Comments

- ✓ The appraisal report indicates depreciation of 10%. Given the age and condition of the

Examples of Unacceptable Comments

- ✗ The depreciation estimate is not within 10% of my cost estimate.



property, depreciation of 25% is more appropriate. See attached Cost Approach.

- ✓ The appraisal report did not include the cost of exterior amenities. (See cost approach provided.)

QUESTIONS	YES	NO	COMMENTS
12.1 Were the Comparable Sales used the best ones available as of the effective date of the Subject Appraisal and representative of the subject market? (If NO, provide narrative explanation and include the following items that are required as supporting documentation in the addenda: 1) New Sales Comparison analysis grid (URAR) utilizing three comparable sales, 2) New photograph(s), 3) New location map.		X	

Examples of Acceptable Comments

- ✓ The property at _____ is more appropriate than comparable number 2, since its sales date was more recent, its age was closer to the subjects', and its location is less than a mile from the subject. The attached addendum provides more details on this sale. (See new sales grid.)

Examples of Unacceptable Comments

- ✗ The comparables used in the analysis were not truly comparable to the subject property.
- ✗ The comparables were not the best ones available as of the effective date of the appraisal.

QUESTIONS	YES	NO	COMMENTS
12.2 Were the Comparables' transaction data and verification sources provided per HUD guidelines?		X	

Examples of Acceptable Comments

- ✓ There were no sources of transaction data provided.
- ✓ The report listed MLS as the sole source of transaction data without providing a verification source.

Examples of Unacceptable Comments

- ✗ Not familiar with the appraiser's sources.
- ✗ The report cited sources of transaction data, which were inappropriate.

QUESTIONS	YES	NO	COMMENTS
12.3 If any of the Comparable Sales were not verified with someone who had first hand knowledge of the transaction, did the Subject Appraisal clearly state how the sale was verified and to what extent? (If not applicable, check YES.)		X	

Examples of Acceptable Comments

- ✓ Appraisal report did not state how the transaction data was verified or to what extent.

Examples of Unacceptable Comments

- ✗ It is well known that the appraiser does not verify his data sources.

QUESTIONS	YES	NO	COMMENTS
12.4 Was the Comparable Sales data accurate and complete? (Including but not limited to correct photographs.)		X	



Examples of Acceptable Comments

- ✓ Appraisal report stated the sale of comparable 1 to be \$107,000, the actual sale price was \$89,000, see attached public record.

Examples of Unacceptable Comments

- ✗ Comparable 2 closed October, 2000.

QUESTIONS	YES	NO	COMMENTS
12.5 Were the Comparables' Sales and financing concessions accurately reported, analyzed, and adjusted where appropriate per HUD guidelines?		X	

Examples of Acceptable Comments

- ✓ Appraisal report did not specify whether or not concessions exist. Specific concessions are as follows _____.
- ✓ Concessions of ____, which are typical in this neighborhood, were not noted.
- ✓ Appraisal report noted that there were concessions, but was not specific. Specific concessions are as follows _____.

Examples of Unacceptable Comments

- ✗ They are mentioned, but no adjustments were made in Sales Comparison Approach.

QUESTIONS	YES	NO	COMMENTS
12.6 Were all transactions involving the Comparable Sales within the twelve months prior to the effective date of the Subject Appraisal, accurately disclosed and adequately analyzed?		X	

Examples of Acceptable Comments

- ✓ Comparable 2 also transacted two months prior to date cited for \$40,000. (See attached public record.)
- ✓ No explanation provided for the earlier indicated sale of the comparable that was for a \$60,000 loss.

Examples of Unacceptable Comments

- ✗ Comparable 2 appears to be a fraudulent flip.

QUESTIONS	YES	NO	COMMENTS
12.7 Were the adjustments to the Comparable Sales applied consistently?		X	

Examples of Acceptable Comments

- ✓ Comparable 2 contained a \$2,000 adjustment for its 5,000 square foot lot size while comparable 3 contained a \$3,000 adjustment for its similar sized lot.

Examples of Unacceptable Comments

- ✗ Lot size adjustment for comparable 2 is not supportable in this market.

QUESTIONS	YES	NO	COMMENTS
12.8 Were the adjustments to the Comparable Sales reasonable?		X	

Examples of Acceptable Comments

- ✓ The adjustments for garage are unreasonable, see attached paired sales analysis.

Examples of Unacceptable Comments

- ✗ The garage adjustments are unreasonable for this market.



QUESTIONS	YES	NO	COMMENTS
12.9 Were all line-item adjustments exceeding 10% of the Comparable sale price explained? (If not applicable, check YES.)		X	

Examples of Acceptable Comments

- ✓ Comparable number 2's GLA adjustment is 15% without explanation.

Examples of Unacceptable Comments

- ✗ The report did not provide explanations for line-item adjustments above 10%.

QUESTIONS	YES	NO	COMMENTS
12.10 Were all gross adjustments exceeding 25% of the Comparable sale price explained? (If not applicable, check YES.)		X	

Examples of Acceptable Comments

- ✓ Comparable number 2's gross adjustment is 30% without explanation.

Examples of Unacceptable Comments

- ✗ Comparable gross adjustment exceeds 25%.

QUESTIONS	YES	NO	COMMENTS
12.11 Were explanations provided for all Comparable Sale dates beyond six months but less than twelve months prior to the effective date of the Subject Appraisal? (If not applicable, check YES.)		X	

Examples of Acceptable Comments

- ✓ There was no explanation provided for the use of Comparable Sale #2, which sold 13 months prior to the date of appraisal. (See attached Public Record.)

Examples of Unacceptable Comments

- ✗ No explanations were provided for comparables occurring 6 to 12 months prior to the date of appraisal.
- ✗ No comparables occurred in the 6 to 12 months prior to the date of appraisal.

QUESTIONS	YES	NO	COMMENTS
12.12 Did the sale dates of Comparable Sales 1, 2, and 3 occur within the 12 months prior to the effective date of valuation of the Subject Appraisal?		X	

Examples of Acceptable Comments

- ✓ Comparable number 3 was dated ____.
- ✓ This is over 12 months from the effective date of ____.
- ✓ Per county records, Comparable Sale #1 sold in July 1998, not in August 1998 as stated in the appraisal report.

Examples of Unacceptable Comments

- ✗ Comparables did not occur within 12 months of the effective date of valuation.



QUESTIONS	YES	NO	COMMENTS
13.1 If applicable and/or completed within the Subject Appraisal, was the Income Approach correctly developed? (If not applicable, check YES.)		X	

Examples of Acceptable Comments

- ✓ GRM was not within the range exhibited by the comparables.
- ✓ Only one comparable was cited.
- ✓ Market rental data was not provided to support GRM. See review appraiser's income approach attached to AQA.

Examples of Unacceptable Comments

- ✗ The INCOME APPROACH section was not fully and accurately completed.
- ✗ The income approach was not necessary.

QUESTIONS	YES	NO	COMMENTS
14.1 Was the Estimate of Market Value of the Subject Appraisal within the range of the applicable approaches to value?		X	

Examples of Acceptable Comments

- ✓ The estimated market value of \$ ___ falls outside the value range of \$ ___ to \$ ___ as indicated by the applicable approaches to value supplied in the appraisal report.

Examples of Unacceptable Comments

- ✗ The estimated market value of the subject exceeds the upper indicated value.

QUESTIONS	YES	NO	COMMENTS
14.2 Was the Estimate of Market Value correctly conditioned? (e.g., "as is," "subject to repairs," or "subject to completion")		X	

Examples of Acceptable Comments

- ✓ Property is under construction, as per attached photograph, but was only appraised "as repaired."
- ✓ Property is an REO, but not appraised "as is."
- ✓ Subject value was conditioned "as-is" and should be "subject to" VC items.
- ✓ Property was appraised "as is", but should have been appraised "as repaired."

Examples of Unacceptable Comments

- ✗ The correct type of value was not indicated.

QUESTIONS	YES	NO	COMMENTS
14.3 Were accurate comments and analysis provided regarding the Subject Property's current agreement of sale, option, or listing, and were they considered in the Subject Appraisal as required by USPAP Standards Rule 1-5 (a)(c)?		X	

Examples of Acceptable Comments

- ✓ The agreement of sale and sale history noted that the property had been sold twice

Examples of Unacceptable Comments

- ✗ The report failed to state if subject transacted within 12 months.



in the past year, but there was no comment on its connection to the valuation of the subject. (See attached sales data.)

- ✓ Analysis was not provided on the subject's agreement of sale and sale history. The appraisal report failed to report factors (family sale, foreclosure, tenant to landlord) that would impact sales price and sales price differed from appraised value.
- ✓ The appraisal report did not analyze nor provide comments concerning the current agreement of sale for the Subject Property.

QUESTIONS	YES	NO	COMMENTS
14.4 Were <i>all</i> Subject Property transactions within 12 months prior to the effective date of Subject Appraisal properly disclosed and analyzed as required by USPAP Standards Rule 1-5 (b)(c)?		X	

Examples of Acceptable Comments

- ✓ According to the attached public record, the subject sold 10 months prior to the effective date of the appraisal and was not disclosed.

Examples of Unacceptable Comments

- ✗ The report failed to state if subject transacted within 12 months.

QUESTIONS	YES	NO	COMMENTS
14.5 Did the Subject Appraisal adequately explain any substantial increase in price from the Subject Property's prior transaction to the current transaction? (If not applicable, check YES.)		X	

Examples of Acceptable Comments

- ✓ Property sold for \$40,000 less than the current sale price 30 days prior to the valuation date. Per homeowner and attached photographs, new paint and carpet were the only changes made.

Examples of Unacceptable Comments

- ✗ This transaction appears to be a fraudulent flip.

QUESTIONS	YES	NO	COMMENTS
15.1 Was the Estimate of Market Value of the Subject Appraisal within 10% of the Final Reconciled 1038 Field Review Value? (If not applicable, check YES.)		X	

Examples of Acceptable Comments

- ✓ The appraisal report valued the subject at \$100,000, the review appraiser valued the subject \$120,000, a 20% difference.

Examples of Unacceptable Comments

- ✗ The report's final value was [lesser/greater] than the review appraiser's final value.
- ✗ The final values differed by 20%.

QUESTIONS	YES	NO	COMMENTS
16.1 Were all readily observable Site Hazards correctly indicated per VC-1?		X	



Examples of Acceptable Comments

- ✓ Appraisal report did not mention the high-pressure gas lines located seven feet from the property (See attached photograph).

Examples of Unacceptable Comments

- ✗ All visible site hazards were not correctly identified per VC-1.
- ✗ The appraiser left VC-1 blank.

QUESTIONS	YES	NO	COMMENTS
16.2 Were all readily observable Soil Contamination Hazards correctly indicated per VC-2?		X	

Examples of Acceptable Comments

- ✓ Attached photograph indicates surface evidence of a UST and the appraiser checked the no box on the VC form.

Examples of Unacceptable Comments

- ✗ The subject is close to a dump.
- ✗ All visible soil contamination hazards were not correctly identified per VC-2.
- ✗ The appraiser left VC-2 blank.

QUESTIONS	YES	NO	COMMENTS
16.3 Was all readily observable evidence of Grading and/or Drainage problems correctly indicated per VC-3?		X	

Examples of Acceptable Comments

- ✓ The appraisal report indicated that the grading does provide positive drainage, even though there was standing water during the review (as per attached photograph).

Examples of Unacceptable Comments

- ✗ There is presently standing water proximate to the structure.
- ✗ All visible evidence of topographical problems was not correctly identified per VC-3.
- ✗ The appraiser left VC-3 blank.

QUESTIONS	YES	NO	COMMENTS
16.4 If Subject Property lacks connection to public water, was it correctly indicated per VC-4?		X	

Examples of Acceptable Comments

- ✓ Appraisal report noted that the subject's water supply came from a public well, when the subject actually received water, per water authority. (See attached water bill from homeowner.)

Examples of Unacceptable Comments

- ✗ The property has a well.
- ✗ The appraiser did not complete VC-4 correctly.
- ✗ The appraiser left VC-4 blank.

QUESTIONS	YES	NO	COMMENTS
16.5 If Subject Property lacks connection with public/community sewer system, was this correctly indicated per VC-4?		X	

Examples of Acceptable Comments

- ✓ Property is served by septic system. Public sewer is not available. (See attached public record.)

Examples of Unacceptable Comments

- ✗ Subject appears to be served by septic system.

QUESTIONS	YES	NO	COMMENTS
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16.6 If private septic system is present, were readily observable indications of system malfunctions correctly indicated? (If public sewer access, check YES.)		X	
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Examples of Acceptable Comments

- ✓ Waste was observed at the subject property but was not noted on the appraisal or VC Form and Homebuyer Summary.
- ✓ Evidence of system malfunction noted in appraisal but not reported on the VC Form and Homebuyer Summary.

Examples of Unacceptable Comments

- ✗ Septic system appears to be malfunctioning.

QUESTIONS	YES	NO	COMMENTS
16.7 Were all Wood Destroying Insect issues correctly identified per VC-5?		X	

Examples of Acceptable Comments

- ✓ The appraisal report indicated that there was no evidence of active wood destroying insect infestation, yet there is extensive visible evidence of rotting infested wood, under each pillar on the porch. (See attached photograph).

Examples of Unacceptable Comments

- ✗ Wood is touching the ground.
- ✗ The report did not correctly identify evidence of wood infestation.
- ✗ The appraiser left VC-5 (a or b) blank.

QUESTIONS	YES	NO	COMMENTS
16.8 Were all Private Road Access and Maintenance issues properly identified per VC-6?		X	

Examples of Acceptable Comments

- ✓ The appraisal report did not indicate that the property was inaccessible by foot or vehicle, as exhibited in the attached photograph.
- ✓ Appraisal report indicated property is only accessible by a private road, but did not require evidence of a recorded easement and private road maintenance agreement.

Examples of Unacceptable Comments

- ✗ Appraisal indicated property is only accessible by a private road, but did not provide evidence of a recorded easement or private road maintenance agreement in the deed.

QUESTIONS	YES	NO	COMMENTS
16.9 Was all readily observable evidence of Structural problems correctly indicated per VC-7?		X	

Examples of Acceptable Comments

- ✓ Appraisal report indicated no significant cracks in the ceiling, but attached photographs show three large cracks.
- ✓ The appraisal report indicated no rodent infestation, although the crawl space has several “nests” (see attached photograph).

Examples of Unacceptable Comments

- ✗ The appraiser indicated that there were no significant cracks in the floor support system.
- ✗ All evidence of structural problems were not correctly identified on the VC form.
- ✗ The report did not note that there is water damage from a recent storm.
- ✗ The appraiser left VC-7 blank.



QUESTIONS	YES	NO	COMMENTS
16.10 Was all readily observable evidence of Foundation problems correctly indicated per VC-8?		X	

Examples of Acceptable Comments

- ✓ The appraisal report indicated that there was adequate space for maintenance in the crawl space. It measured _ inches, _ inches less than recommended. (See photograph of crawl space.)
- ✓ Erosion that could affect structural soundness was not identified in the appraisal report. Erosion was found at the southwest corner of the basement wall. This condition is also noted in the attached home inspection report. (See photographs.)

Examples of Unacceptable Comments

- ✗ There is inadequate access to the basement.
- ✗ All evidence of crawl space problems were not correctly identified on the VC form.
- ✗ The report did not note ponding of water from a recent storm.
- ✗ The appraiser left VC-8 blank.

QUESTIONS	YES	NO	COMMENTS
16.11 Was all readily observable evidence of Roofing problems correctly indicated per VC-9?		X	

Examples of Acceptable Comments

- ✓ Appraisal report indicates roof life as more than two years, but attached Structural Engineer Report indicates a new roof will be necessary within six months.
- ✓ Rear porch (see rear photograph) has a flat roof. VC-9f should be checked "Yes".

Examples of Unacceptable Comments

- ✗ The subject had a flat roof.
- ✗ All evidence of roofing problems was not correctly identified on the VC form.
- ✗ The report did not note the missing roof tiles from a recent storm.
- ✗ The report indicated holes in the roof, but I could not find any since the roof was recently replaced.
- ✗ The appraiser left VC-9 blank.

QUESTIONS	YES	NO	COMMENTS
16.12 Was all readily observable evidence of Mechanical System problems correctly indicated per VC-10?		X	

Examples of Acceptable Comments

- ✓ Appraisal report indicated there was hot water, while the homeowner told me that there has been no hot water in the home for ___ months. (See attached affidavit from homeowner.)

Examples of Unacceptable Comments

- ✗ The subject has frayed wires.
- ✗ All evidence of mechanical systems problems were not correctly identified.
- ✗ The report indicated that cold air was not emitted from the central air conditioning unit, while the one installed two weeks ago works perfectly.
- ✗ The appraiser left VC-10 blank.



QUESTIONS	YES	NO	COMMENTS
16.13 Was all readily observable evidence of Health and/or Safety issues correctly indicated per VC-11? (e.g. broken or inoperable windows or doors, steps without handrails, blocked entrances or exits, etc.)		X	

Examples of Acceptable Comments

- ✓ The security bars lacked a quick release mechanism, (See photographs.)
- ✓ The subject had steps without handrails. (See photographs.)

Examples of Unacceptable Comments

- ✗ All evidence of health and safety deficiencies' problems were not correctly identified.
- ✗ Appraiser did not note the two front windows that were broken last week.
- ✗ Appraiser did not note that the manual garage door does not reverse or stop when meeting reasonable resistance during closing.
- ✗ The appraiser left VC-11 blank.

QUESTIONS	YES	NO	COMMENTS
16.14 Was all readily observable evidence of Lead Paint Hazards correctly indicated per VC-12?		X	

Examples of Acceptable Comments

- ✓ Not all locations with defective paint surfaces were described. Fascia and soffit along rear of dwelling exhibit peeling paint. (See photographs.)

Examples of Unacceptable Comments

- ✗ The subject was built in 1985.
- ✗ All evidence of lead based paint problems were not correctly identified.
- ✗ The subject has lead based paint.
- ✗ The appraiser left VC-12 blank.

QUESTIONS	YES	NO	COMMENTS
16.15 Were all Condominium and PUD issues correctly indicated per VC-13? (If not applicable, check YES.)		X	

Examples of Acceptable Comments

- ✓ Appraisal report indicated that the Subject Property is a detached, fee simple property. The property is actually a second floor condominium unit (per attached legal document).

Examples of Unacceptable Comments

- ✗ This property does not meet owner-occupancy standards.
- ✗ Subject is a condominium.
- ✗ The appraiser left VC-13 blank.

QUESTIONS	YES	NO	COMMENTS
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16.16 Were all conditions noted on the Valuation Conditions form also disclosed on the Homebuyer Summary? (If not applicable, check YES. If the conditions on each document listed were not substantially identical, check NO and list the differences.)		X	
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Examples of Acceptable Comments

- ✓ Wood infestation was indicated on VC form but not disclosed on the Homebuyer Summary.
- ✓ (ie., wood destroying insect inspection, well test, septic tank) was indicated on the VC form but not disclosed on the Homebuyer Summary.

Examples of Unacceptable Comments

- ✗ Did not receive Homebuyer Summary.



Appendix H – Scope of Work

1038 Field Review

The purpose of the 1038 Field Review is to evaluate the compliance of the appraisal with HUD appraisal guidelines and the Uniform Standards of Professional Appraisal Practice (USPAP). The client is the U.S. Department of Housing and Urban Development (HUD) and the Federal Housing Administration (FHA). The intended user is the client. The intended use is to control the quality of appraisals performed for FHA mortgage insurance purposes, monitor the performance of FHA Roster appraisers, and ensure compliance with HUD appraisal guidelines and USPAP.

It is intended that the 1038 Field Review meet or exceed the minimum requirements of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) as stipulated in Title XI, 12 CFR Part 34, which are the minimum standards of the Office of the Comptroller of the Currency (OCC).

The 1038 Field Review was completed using the Review Appraiser Desktop Guide Version 4.0.

The scope of the 1038 Field Review includes:

- Review of the appraisal report used to secure FHA-insured financing;
- Personal inspection of the subject property;
- Personal inspection and photographing of all comparables cited in the appraisal report;
- Verification of subject and comparable data;
- Personal inspection and photographing of any comparable sales deemed more appropriate than those cited in the appraisal report;
- Documenting all deficiencies in the appraisal report;
- Development and reporting, as of the date of the appraisal, any applicable approaches to value that were incorrectly developed;
- Completion of the HUD 1038 Field Review Form.

The reviewer's value opinion, if any, is not less than the scope of work applicable to the original appraisal assignment. However, the reviewer is not obligated to replicate the steps completed by the original appraiser.

HUD requires that the appraisal report disclose conditions threatening the health and safety of the occupants or the continued marketability of the property that were readily observable on the date of the appraisal. The 1038 Field Review does not include any testing for environmental conditions noted within the report or found at the time of the reviewer's inspection.

All extraordinary assumptions in the completion of this assignment are as follows:

- (If none, so state).



Appendix I -Comprehensive Valuation Package

The exceptions to the CVP requirements are listed in the matrix below

Comprehensive Valuation Package (CVP) Requirements

	Part I	Part II	Part III	For Your Protection: Get a Home Inspection* (Form HUD-92564-CN)
	URAR (FNMA Form 1004/ FHLMC Form 70)	VC Form (Form HUD-92564-VC)	Homebuyer Summary (Form HUD-92564-HS)	
Proposed/Under Construction	YES	NO	NO	NO
Existing Construction < 12 months old	YES	YES	YES	NO
Existing Property	YES	YES	YES	YES
203 (k) Rehabilitation Loan	YES	NO	NO	YES
Refinancing	YES	YES	YES	NO
Streamline Refinancing (with prepaid expenses, points and/or closing costs)	YES	YES	NO	NO
Streamline Refinancing (with outstanding balance)	NO	NO	NO	NO
Real Estate Owned (REO)	YES	YES	YES	YES
Home Equity Conversion Mortgage (HECM)	YES	YES	YES	NO

**For Lenders' Use Only*

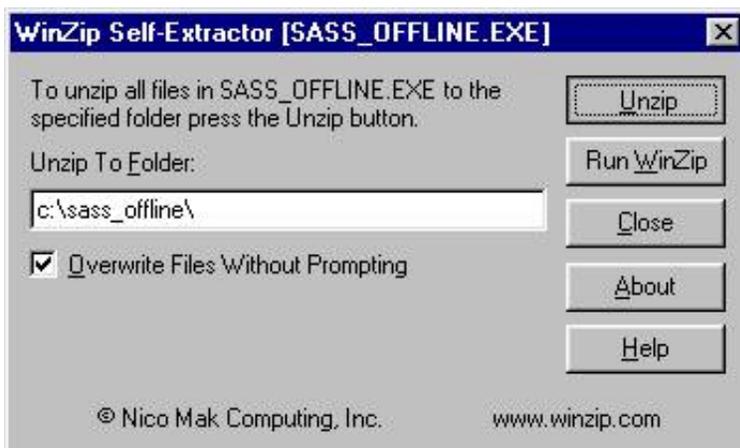


Appendix J – SASS Online Setup Instructions

Using Windows Explorer, (Right mouse click on the  button and select Explore) locate the downloaded sass_offline.exe file.



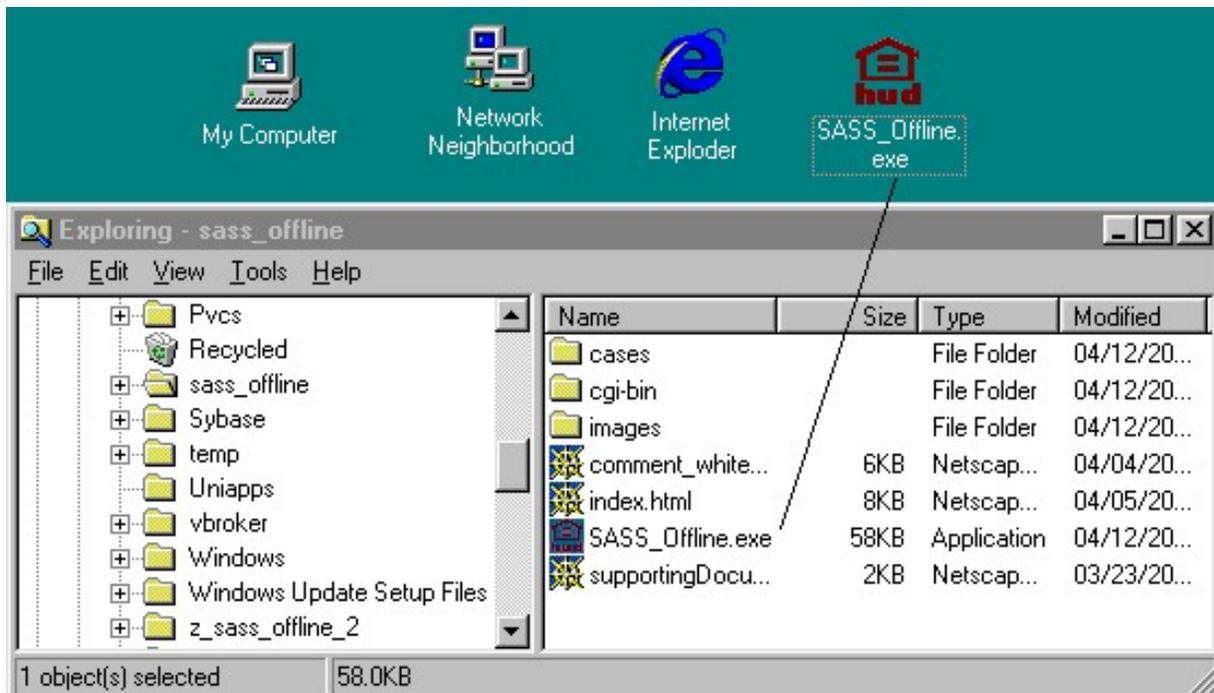
Doubleclick on it. The following screen should be displayed.



Do not change any options. Just click the Unzip button. This will extract and install the software in C:\sass_offline\.

Minimize all programs except for Explorer. Make the Explorer screen small enough so that the icons on your desktop are visible. Using Windows Explorer, locate the c:\sass_offline directory and click on it. The monitor should look like the following screen.





Holding down the control key (CTRL), use the mouse to drag the SASS_Offline.exe file onto your desktop. The HUD Sass Offline icon should be on your desktop.

Your computer is now set up to complete 1038 AQAs offline. You can now proceed to Download FHA 1038 Form for offline completion.



Appendix K – SASS Offline User Guide

Introduction:

The SASS Offline application provides the capability for appraisers to work on the 1038 V1 and V2 forms on the local PC without being connected to the Internet. After the software have been installed and configured, appraisers can download scheduled, saved, and returned to reviewer cases from the SASS Online to the local PC. The appraiser can then complete the 1038 forms for these cases offline. The rest of this document will describe in detail how to use SASS Offline.

Required Software & Hardware:

- Hardware: Pentium II or higher w/ 32 MB Ram.
- Operating System: Windows 9x or higher. Windows NT 4.0 or higher.
- Browser: Netscape 4.5 or higher / Internet Explorer 5.0 or higher.
- Software: SASS Offline - Software download and setup instructions are available from SASS Online.

Startup:

After setting up the SASS Offline software, there should be an Icon on the PC desktop like the figure below.



Figure 1 - SASS Offline Desktop Icon



Double Click on the SASS_Offline.exe icon and the following pop up window should appear.



Figure 2 - SASS Offline Popup Menu

Click the OK button to close the pop up window.

Open up a browser such as Netscape or Microsoft Internet Explorer and go to this URL:
<http://localhost:90/index.html>

The following screen should be displayed if you are using Internet Explorer.

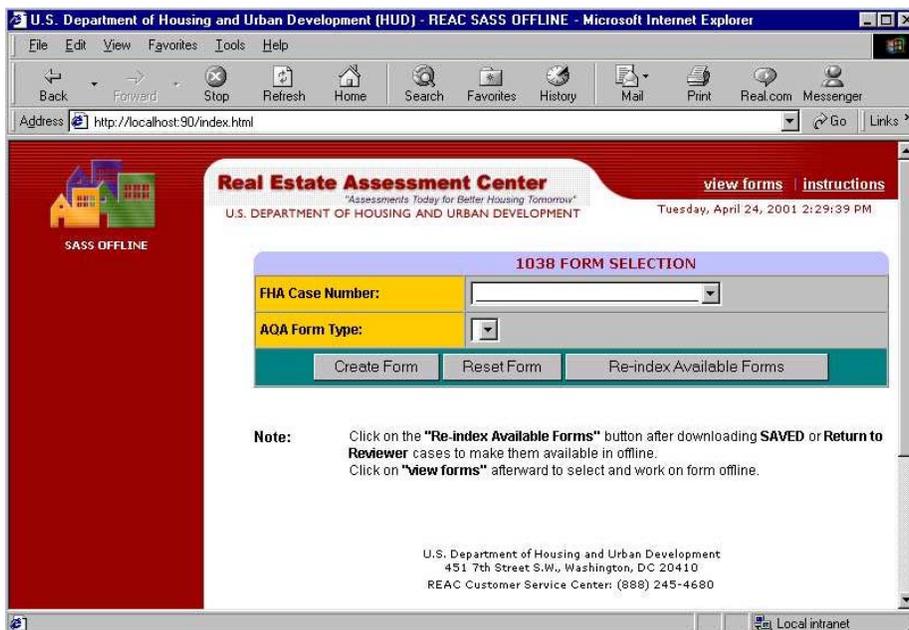


Figure 3 - SASS Offline Microsoft Internet Explorer Main Screen



The following screen should be displayed if you are using Netscape.

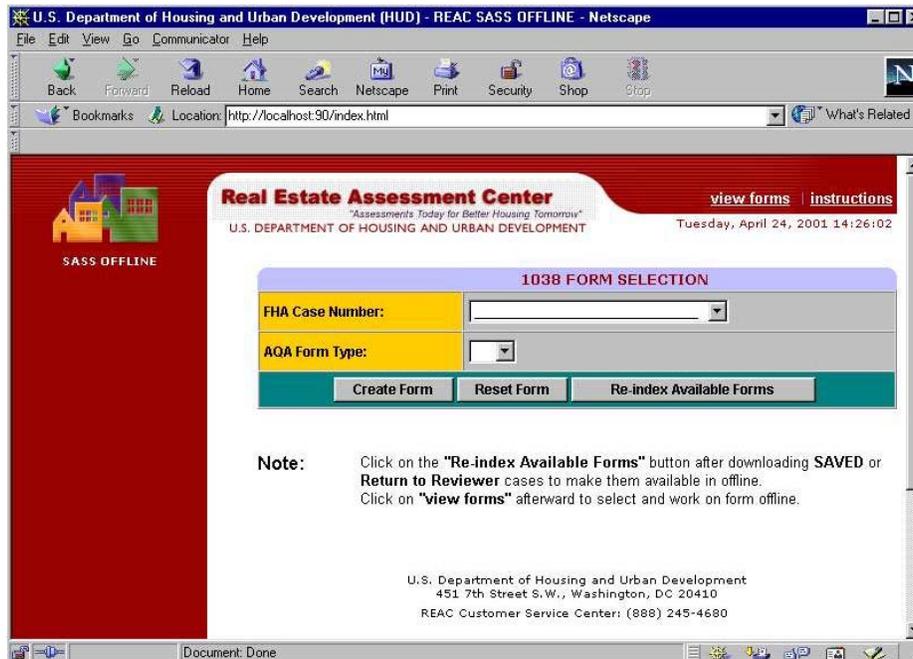


Figure 4 - SASS Offline Netscape Main Screen Table of Content

Main Menu Functionalities

The SASS Offline main menu screen contains several links, pull down boxes and buttons that will enable the completion of 1038 V1 and V2 forms.

Links:

- **View forms** - Clicking on this link will list all the cases that have been created offline and also all the Saved/Returned to Reviewer cases downloaded from SASS Online.
Downloaded Scheduled cases that have not been created will not be listed.
Downloaded Saved and Returned to Reviewer cases will only be listed after clicking the "Re-index Available Forms" button.
- **Instructions** - This link will bring up this document.



Pull down boxes:

- **FHA Case Number** - The FHA Case Number pull down box contains all scheduled cases that were downloaded from SASS Online. The FHA Case Number pull down box will not have any cases if no scheduled cases have been downloaded.

Scheduled cases that have been created offline will remain in the pull down box. The offline case creation software will ensure that there will be no data loss by restricting the creation of duplicate cases.

- **AQA Form Type** - This pull down box will automatically be populated when the FHA Case Number is selected. V1 and V2 options will be available for cases assigned as V2 with the default selection being a V2. HOC Referrals and V1 cases will be defaulted to the assigned AQA type.

It is possible to create both a V1 and V2 for cases assigned as a V2. However, the upload process will only allow for the submittal of only one case type for a particular case. This option is made available so that in the event that a V2 can not be performed, the appraiser can opt to perform a V1.

Action Buttons:

- **Create Form** - This button creates the appropriate form for offline processing and will double check to make ensure that it does not overwrite cases that have been created or downloaded previously.
- **Reset Form** - This button resets the main page to it's initial content.
- **Re-index Available Forms** - This button adds the newly downloaded Saved and Returned to Reviewer cases to the list of available cases that can be worked offline.

New downloaded Saved and Returned to Reviewer cases will not be available in the "view forms" list until this button is clicked.

Download 1038 Forms:

In the SASS Online application, there should be a link called "SASS Offline" on the banner. Click on this link and then click on the "Download 1038 Forms" link to search and select cases to download. Follow the Online instructions to download 1038 forms for offline processing.

Accessing 1038 Form Offline:

There are several ways to access the 1038 form such as using the "view forms" link, which will list all the 1038 forms that have been created offline, or create a new form for scheduled cases.



- Scheduled Cases** - Scheduled cases, after downloading from SASS Online, can be created offline by using the main screen. Simply select the FHA Case Number and AQA Form Type then click on the "Create Form" button. After clicking the "Create Form" button, the following screens should be displayed depending on the result of the create case.

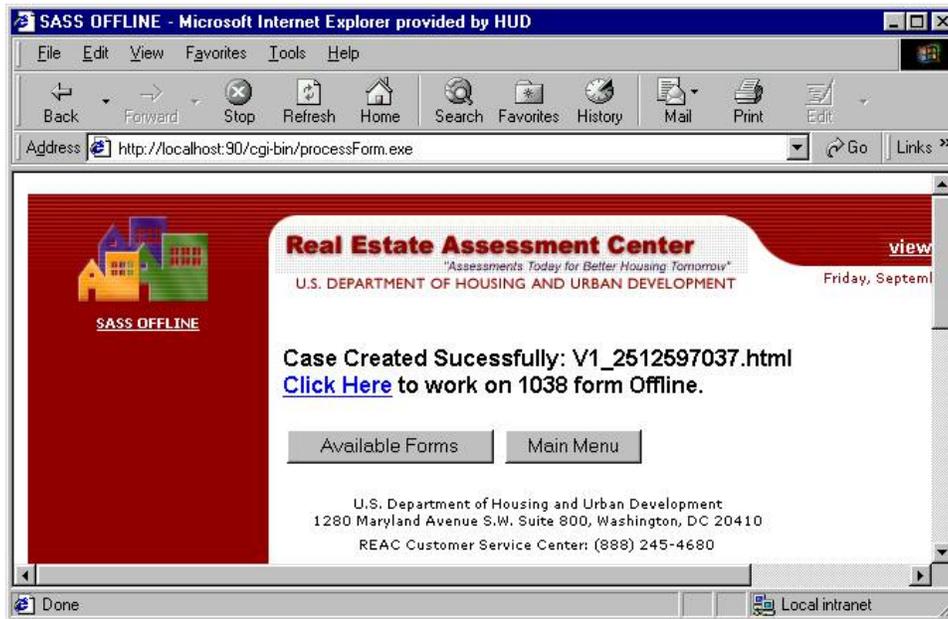


Figure 5 - Case Create Successfully



Figure 6 - Case Already Created



Click on the "Click Here" link to work on the offline form. The "View Offline Forms" button is the same as the "view forms" button on the main screen. The "Create New Form" button will bring up the main offline screen.

- Created, Saved and Returned to Reviewer Cases** - These cases can be accessed by clicking the "view forms" link on the main offline screen. This link will list all the forms that are available for offline processing.

Scheduled cases are automatically added to the "view forms" list after it has been created using the main screen. Saved and Returned to Reviewer cases will be added to the "view forms" list after clicking on the "Re-index Available Forms" or after a Scheduled case is created. After clicking the "view form" link, the screen similar to the one below will be displayed listing all available 1038 forms.

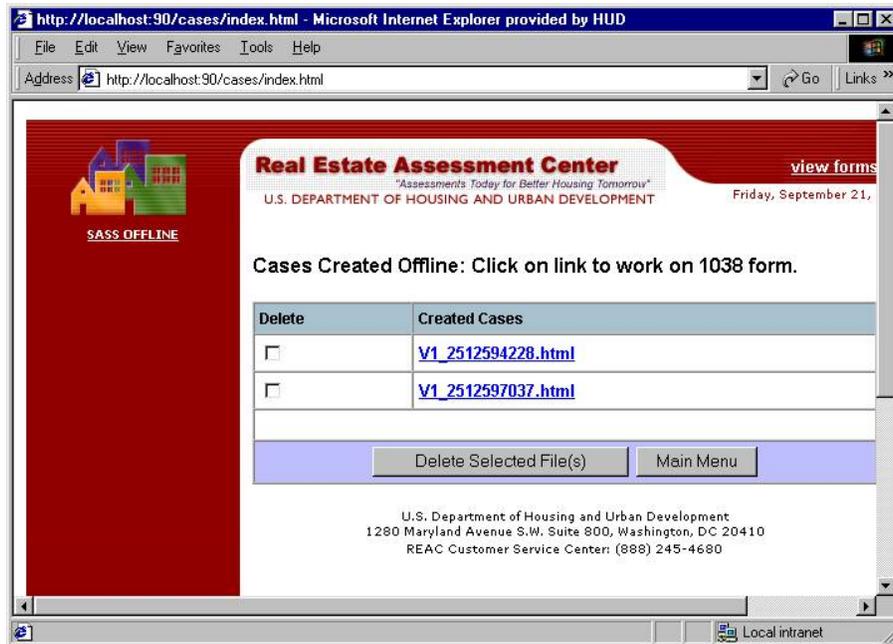


Figure 7 - Sample 'view form' list

Simply click on the link and start working offline.

Completing 1038 Form Offline:

The 1038 V1 and V2 forms are identical to the online version except for the banner links at the top of the screen and the action button at the end of the screen.

The top of the Offline 1038 form contains the "View Offline Forms" and "Create New Form" links. The "View Offline Forms" is the same as the "view forms" link on the main page. Clicking the "Create New Form" link will bring up the main page.

The bottom of the Offline 1038 form contains one "Save Offline" button and the text message as to where this form will be saved on the local PC. After filling out the form simply click the "Save Offline" button to save the form.



Upload Offline 1038 Forms to SASS Online:

The offline 1038 forms can be uploaded to SASS Online by:

1. Logging on to SASS Online application
2. Click on the "SASS Offline" link on the banner
3. Click on the "Upload 1038 Form" link.
4. Follow the online instructions for uploading the 1038 forms.

As a precaution, only saving the form is allowed after uploading the 1038 forms to SASS Online. All data completed offline will be saved in SASS Online.

Frequently Asked Questions (FAQ)

1. DATA ENTERED NOT SAVED: I entered some data in the form, clicked the "Save Offline" button. It was saved successfully. However, when I viewed the form again, the form was blank.

ANSWER -- The problem might be that your browser is caching the page. This problem can be fixed by following the instructions below.

For Internet Explorer:

- Click on "Tools" and select "Internet Options"
- A "Internet Options" pop up window should be present
- Select the "General" tab and click the "Settings" button under the Temporary Internet Files section
- A "Settings" pop up window should be present
- Select the radio box "Every visit to the page"
- Click OK to close the "Settings" pop up window
- Click OK to close the "Internet Options" pop up window
- Refresh the page



For Netscape:

- Click on "Edit" and select "Preferences"
- A "Preferences" pop up window should be present
- Expand the "Advanced" box
- Select the "Cache" option
- Under the "Document in cache is compared document on network:" section, select the radio box "Every time"
- Click OK to close the "Preferences" pop up window
- Reload the page

2. PROXY ERROR: I downloaded and setup the SASS Offline software following the provided instructions. However, when I clicked on the SASS_Offline.exe icon and go to <http://localhost:90/index.html>, the browser responded with the message "The requested item could not be loaded by the proxy".

ANSWER -- The problem might be that your PC is connected to a network and that the browser is configured to use a proxy server on the network. This problem can be fixed by following the instructions below.

For Internet Explorer:

- Click on "Tools" and select "Internet Options"
- A "Internet Options" pop up window should be present
- Select the "Connections" tab and click the "LAN Settings" button under the "Local Area Network (LAN) Settings" section
- A "Local Area Network (LAN) Settings" pop up window should be present
- Check the box "Bypass proxy server for local addresses"
- Click the "Advanced" button
- A "Proxy Settings" pop up box should be present
- Under the "Exceptions" section, add "localhost;127.0.0.1;" to the beginning of the box if there are other text in the box
- Click OK to chose the "Proxy Settings" pop up window
- Click OK to close the "Local Area Network (LAN) Settings" pop up window
- Click OK to close the "Internet Options" pop up window
- Refresh the page



For Netscape:

- Click on "Edit" and select "Preferences"
- A "Preferences" pop up window should be present
- Expand the "Advanced" box
- Select the "Proxies" option
- Click the "View" button only if the radio box is selected for "Manual proxy connection"
- A "Manual proxy connection" pop up window should be present
- Under the "Exceptions" section, add "localhost,127.0.0.1," to the beginning of the box if there are other text in the box
- If the "Automatic proxy connection" radio box is selected, there should be a "Configuration location (URL) information to the text box to the right. Copy the URL with the port number. The port number is a number following the colon (:) in the in the URL
- Check the "Manual proxy connection" radio box and click on the "View" button
- Under the "Server" section, enter the same server name and port number from the copied URL for all setting sections
- Under the "Exceptions" section, add "localhost,127.0.0.1," to the beginning of the box if there are other text in the box
- Click OK to close the "Manual proxy connection" pop up window
- Click OK to close the "Preferences" pop up window
- Reload the page

