



Fannie Mae®

Multifamily Selling and Servicing Guide

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202.02A Appraiser Selection

Requirements

You must:

- maintain a list of Appraisers generally approved to perform Appraisals;
- document the selection and approval of an Appraiser, per your Lender Appraisal Function processes, who is:
 - a Certified General Appraiser (or licensed or certified per state law, if that state does not use the Certified General Appraiser designation);
 - listed in good standing on the state roster per Title XI of FIRREA; and
 - actively prepares multifamily appraisals in the Property's market;
- if an in-house Appraiser is used, ensure your Lender Loan Origination Function is separated from and cannot in any way influence (i.e., an ethical wall) the in-house Appraiser to:
 - prevent conflicts of interest; and
 - maintain Appraisal independence;
- require the Appraisal to:
 - be in a narrative format, using only objective factors;
 - be signed by the Appraiser;
 - be certified by the Appraiser to conform with current USPAP requirements; and
 - comply with:
 - Instructions for Appraisers ([Form 4827](#)); and
 - any governmental regulations in effect when the Mortgage Loan was originated, including
 - FIRREA,
 - all fair lending laws, and
 - all fair housing laws;
- provide the Appraiser all applicable documents needed to accurately assess Property's value, including:
 - the most recent PCA Report, or any other inspection reports (e.g., a



structural engineering report);

- a rent roll dated within 60 days of the Appraiser's inspection date;
 - Property operating statements detailing
 - income and expenses for the previous year (if available, for the previous 2 years), and
 - year-to-date income and expenses;
 - copies of:
 - the Borrower's standard form of residential lease;
 - any executed commercial leases, including all amendments and attachments;
 - any ground leases;
 - any easements or regulatory agreements; and
 - any purchase/sales contracts executed within 3 years before the Appraisal date;
 - any Environmental Site Assessments;
 - architectural plans, if the Property is not yet completed;
 - site plans/surveys, if available;
 - for a Moderate Rehabilitation Property, details of the
 - capital expenditures incurred, and
 - total construction costs; and
 - any information that may affect the Appraiser's estimate of the Property's value; and
- not accept any Appraisal completed by an Appraiser selected, retained, or compensated by:
- the Borrower;
 - the Sponsor;
 - any Key Principal;
 - any Guarantor;
 - for an Acquisition, the seller or any related party; or
 - any third party, including Mortgage Loan
 - Brokers, or
 - Correspondents.



Guidance

If final reports are unavailable, you may send draft versions of the

- PCA Report, and
- Environmental Site Assessments.

If the final reports differ materially from the drafts sent to the Appraiser, you must:

- forward the final reports to the Appraiser; and
- inquire whether the Appraisal should be updated based on the final reports.



Glossary

A

Acquisition

Any Purchase of either the:

- Property's fee simple or leasehold interest via a deed transfer; or
- Controlling Interest in the Borrower.

Synonyms

- Acquisitions

Appraisal

Written statement independently and impartially prepared by a qualified Appraiser stating an opinion of the Property's market value

- as of a specific date, and
- supported by the presentation and analysis of relevant market information.

Synonyms

- Appraisals
- Appraisal's

Appraiser

Person engaged to estimate a Property's market value per USPAP.

Synonyms

- Appraiser's
- Appraisers

B

Borrower

Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

F



FIRREA

Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

G

Guarantor

Key Principal or other Person executing a

- Payment Guaranty,
- Non-Recourse Guaranty, or
- any other Mortgage Loan guaranty.

Synonyms

- Guarantors

K

Key Principal

Person who

- controls and/or manages the Borrower or the Property,
- is critical to the successful operation and management of the Borrower and the Property, and/or
- may be required to provide a Guaranty.

Synonyms

- Key Principals
- Key Principal's

L

Lender Appraisal Function

The Lender:

- internal roles or job functions, including any employees that report up to the Chief Underwriter (but excluding any Lender Loan Origination Functions), involved with the following Appraisal-related responsibilities:
 - engaging the Appraiser;
 - defining the Appraisal's scope of work;
 - managing the Appraiser; or
 - reviewing the Appraisal; and
- employees or Outside Parties who perform or manage those job functions.

Synonyms

- Lender Appraisal Functions



Lender Loan Origination Function

Any:

- Lender internal roles or job functions reporting up to the Chief Production Officer;
- Lender employees who receive a commission or bonus if the Mortgage Loan closes, including any employees or functions that report up to these roles and/or their immediate supervisor;
- Mortgage Loan Brokers; or
- Correspondents.

Synonyms

- Lender Loan Origination Functions

M

Moderate Rehabilitation Property

Property that will undergo at least \$8,000 per unit of Rehabilitation Work.

Synonyms

- Moderate Rehabilitation

Mortgage Loan

Mortgage debt obligation evidenced, or when made will be evidenced, by

- the Loan Documents, or
- a mortgage debt obligation with a Fannie Mae credit enhancement.

Synonyms

- Mortgage Loans
- Mortgage Loan's

P

PCA Report

Property Condition Assessment Report documenting the findings of a PCA.



Property

Multifamily residential real estate securing the Mortgage Loan, including the

- fee simple or Leasehold interest,
- Improvements, and
- personal property (per the Uniform Commercial Code).

Synonyms

- Properties
- Property's

S

Sponsor

Principal equity owner and/or primary decision maker of the Borrower (often the Key Principal or the Person Controlling the Key Principal).

Synonyms

- Sponsors
- Sponsor's

U

USPAP

Uniform Standards of Professional Appraisal Practice