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Effective Communication for Accurate Appraisals

Accurate, relevant, and timely communication with the appraiser and lender is key to supporting your client and helping ensure an accurate appraisal.

KEY TAKEAWAYS

- Agents can, and should, communicate with appraisers to provide factual data that may not be readily available.
- After the appraisal, if the report appears inaccurate, clients may request a reconsideration of value from their lender.
- Success depends upon using correct and relevant information, analysis, and documentation.

COMMUNICATION DOs AND DON'Ts

Real estate agents may advocate for their client by supplying verifiable, objective information to the appraiser.

Agents should:

- Share information that is factual and supportable with documentation.
- Use a consistent checklist or template.

Agents must not:

- Influence, pressure, or coerce the appraiser.
- Offer compensation or incentives for the appraiser to arrive at a specific value.
- Interfere with the appraiser's independence or process.

APPRAISAL COMMUNICATION FAQs

When should I share information with an appraiser?

The best time to provide information is prior to or at the time of the appraiser's property inspection. Once the report is delivered, appraisers may not discuss the valuation outcome with anyone other than their client (typically the lender).

Pre-Appraisal:
What Information to provide?

Pre-appraisal, focus on providing relevant information that may not be readily available to the appraiser and can be supported by documentation.

Consider providing:

- CMA and/or MLS Listing Sheets for comparable sales.
- Non-MLS comparable sales.
- Updates or improvements to the subject property, including year work was completed.
- Energy efficiency features (e.g. owned or leased solar panels).
- Recent survey (if available).
- Rent roll (if applicable).
- Condo declarations, CC&Rs, or cooperative covenants.
- Scope of work for renovation/rehab projects.

Post-Appraisal: What if the Appraisal Does Not Appear Accurate?

Upon receipt of the appraisal report, carefully review for accuracy.

If concerns arise post-appraisal, agents may help clients submit a borrower-initiated reconsideration of value (ROV) through the lender prior to the loan closing.

Most lenders will provide borrowers with disclosures at (1) the time of loan application and (2) appraisal delivery, with instructions for initiating a reconsideration of value.

Any request for a change in the opinion of market value must be based on material and substantive issues. An ROV cannot be made solely on the basis that the appraised value does not support the proposed loan amount.

Examples of material and substantive issues include (but are not limited to):

- Omission of recent comparable sales,
- Omission of subject features such as pool or accessory dwelling unit, or
- Incorrect math when calculating adjustments.

The borrower-initiated ROV should:

- Identify and describe which areas of the appraisal report are unsupported, inaccurate, or deficient,
- Provide additional data, information, or comparable properties, and
- Provide an explanation of why the new data supports a revised opinion of value.

If the appraiser does not correct or address identified deficiencies in the appraisal report, or if there is evidence of any unacceptable appraisal practices, the lender may order a second appraisal.

If appraisal bias or other problems are identified in the appraisal and not resolved in the ROV, the Appraisal Complaint National Hotline can help your client file a complaint.

refermyappraisalcomplaint.asc.gov/resources

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