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## Things appraisers should know about the UAD update

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Nine months of UAD submissions - 4 million thru Fannie Mae since December 1, 2011 - and it has gone "pretty well" according to Jonathan Principi, senior technology account manager for Fannie Mae, speaking at the NEMBC in Newport last month.

In 2011, Fannie Mae introduced the new UAD appraisal requirements that transformed the appraisal industry. The UAD is the GSE's attempt to standardize appraisal reporting and enhance risk management in their portfolio. The new standards require appraisers to use specific datasets in completing their reports, allowing the end users to amass a database that can be used for various applications. Nine months into the delivery of reports utilizing UAD, Principi states that 99% of the submissions have gone smoothly.

In an attempt to improve on the 1%, on September 12, 2012 Fannie Mae released a list of ten new fatal UAD edits to be effective in 2013. These new edits are requiring the information to be in a specific format or delivery will be denied. Lenders, appraisers and appraisal software vendors will have time to adjust their procedures to catch these new edits early in the appraisal process.

The mortgage industry will be given a minimum of 90 days notice before the implementation of these new edits:

- \* Subject and comparable address;
- \* Appraisal effective date;
- \* Subject/comparable contract price;
- \* Subject/comparable contract date;
- \* Condition rating;
- \* Quality of Construction rating;
- \* Location rating;
- \* View rating;
- \* GLA format; and
- \* Sale type.

Most appraisal software companies have an automated review option for appraisers that will be programmed to check the formatting of these ten new edits before delivery to the client. These new edits should not present a significant degree of training for the typical appraiser.

As the government winds down Fannie Mae and Freddie Mac over the next few years, the UAD is a piece of the overall framework that will be left behind for use by the new private mortgage entities. It will continue to evolve and will provide improved quality and compliance, with experienced and educated appraisers completing the reports.

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