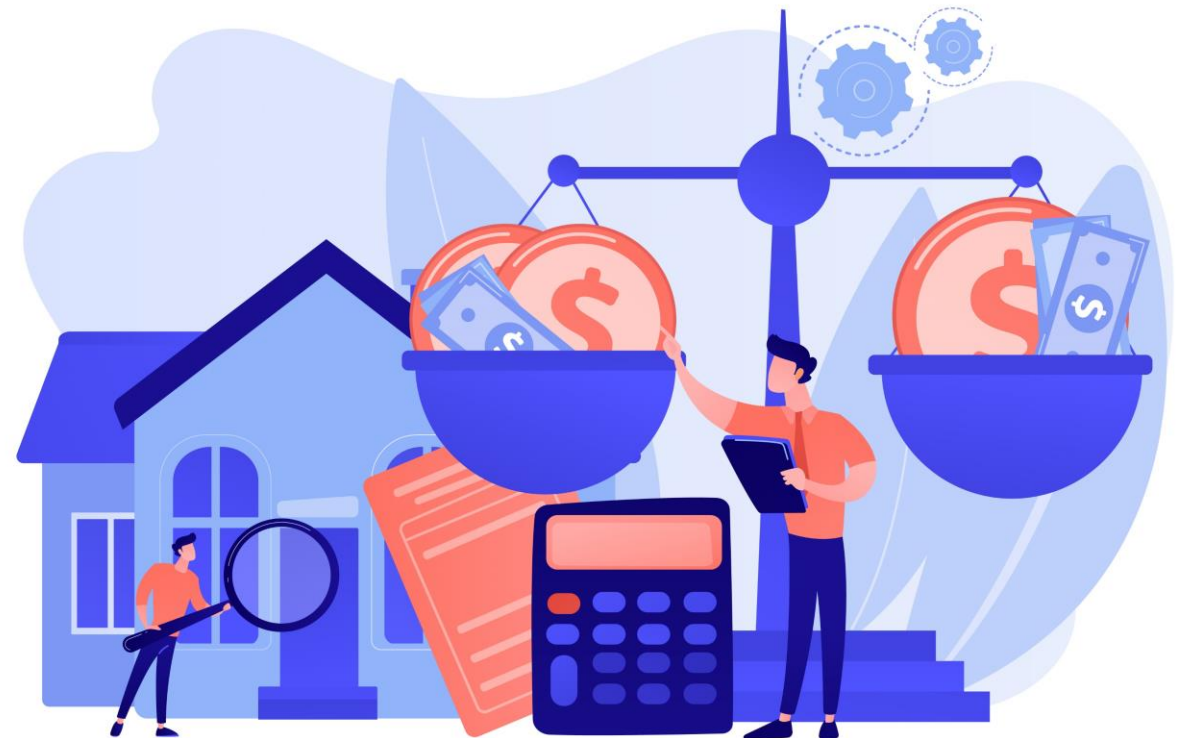


Appraisal Waivers...

Are they
good or bad?



What is an appraisal waiver?

An appraisal waiver gives qualified home buyers the option to decline to have an appraisal done on the property they are purchasing.



Who is eligible?

Only Conventional loans (Fannie/Freddie).

It is identified and listed yes or no to a waiver with a full application & AUS run.

Why?

- They have a database of 35 million + appraisals. Possibly even the home that is being purchased, they have an appraisal on already
- Also it's a "pain point" for consumers and the appraisal field is maturing. Future industry problem.

Appraisal Waivers

Frequently Asked Questions

Powered by 
Collateral Underwriter

June 17, 2020

An appraisal waiver is an offer to waive the appraisal for eligible transactions. Appraisal waiver offers are issued through Desktop Underwriter® (DU®) using Fannie Mae's database of more than 35 million appraisal reports in combination with proprietary analytics from Collateral Underwriter® (CU®) to determine the minimum level of property valuation required for loans delivered to Fannie Mae.

- Purchase transactions:
 - Principal residences and second homes up to 80% LTV/CLTV
 - Principal residences in “high-needs rural” locations identified by FHFA up to 97% LTV/105%CLTV (for borrowers at or below AMI), contingent on home property inspection
 - Recently constructed property (i.e., new construction that is 100% complete) when there is an existing “as is” prior appraisal for the subject property (see [Selling Guide B4-1.4-10, Appraisal Waivers](#), as updated June 3, 2020)
- The majority of transactions will *not* receive an appraisal waiver offer, which means they will require an appraisal by a qualified residential appraiser to establish the market value.

Covid-19: Temporary appraisal requirements: Conventional Loans

- Desktop Appraisals with exterior photos
- Exterior only Appraisals with exterior photos
- Full: interior and exterior appraisals

The appraiser's discretion...
not the lender...
not the customer's choice



Appraisal Waivers: Conventional loans only

Loan Type	2019		2020	
	Count of FNMA	Count of Fred	Count of FNMA	Count of Fred
Conventional Purchase Only Not Accepted	16	102	10	558

Freddie Mac much more lenient
Customers want the appraisal---
even with today's home shortage!



Appraisal Waivers... are they good or bad?

It really depends on whatever the customer wants. Now if it was me, and in an urban or suburban area, I would accept the appraisal waiver and save \$450ish dollars. But I'm versed about the home shortage. I'm versed about how quick homes are selling. I would trust my realtor and realize the market is a seller's market and save the money and get my "clear to close" quicker!

Questions?

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