

APPRAISERS AND CORONAVIRUS

March 17, 2020 The Appraisal Standards Board (ASB) of The Appraisal Foundation issued a statement regarding Interior Inspections during a National Health Emergency. Go to The Appraisal Foundation website to read this letter and for additional information on interior inspections during a National Health Emergency. In this statement ASB encouraged lenders, regulators, government agencies and (GSEs) Government Sponsored Enterprises to consider suspending or relaxing requirements for interior inspections during National Health Emergencies (to create flexibilities).

Also on March 27, 2020 FHA and VA provided appraisal flexibilities during the COVID -19 pandemic for desktop and exterior-only appraisals. Go to HUD.GOV and VA.GOV to read about the flexibilities requirements. Fannie Mae (FANNIEMAE.COM) and Freddie Mac (FREDDIEMAC.COM) as well as other GSEs have issued guidance regarding flexibilities during the COVID-19 pandemic.

Follow the instructions provided in the guidelines of each GSE in appraising Single Family Residences during this pandemic. Specifically address the “Scope of Work”, “Statement of Assumptions and Limiting Conditions” and “Certifications” for these temporary desktop and exterior assignments. Many software providers have already prepared new addenda for these reports.

There are specific requirements regarding “MAP REFERENCE” field (SUBJECT SECTION) any time a traditional appraisal form is used to complete a desktop or exterior appraisal using the COVID-19 temporary flexibilities.

*Form 2055,1075/466 and 2095 can ONLY contain the word “exterior” in the Map Reference Field.

*Form 1004/70, 1073/465 and 2090 can only contain the word “desktop” in the Map Reference Field.

*Form 1025/72 and 1004MC/70B can contain either “exterior” or “desktop” in the Map Reference depending on the Scope of Work.

Careful reading of engagement letters and discussions with lenders regarding requirements of assignments are important. Also reviewing websites of GSEs regarding flexibilities during this pandemic is very important to understanding proper usage of traditional forms.