

# Uniform Appraisal Data (UAD) Frequently Asked Questions – FAQs

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The following provides answers to questions frequently asked about Fannie Mae’s and Freddie Mac’s Uniform Appraisal Dataset (UAD).

<b>Appraisal Data Standardization .....</b>	<b>1</b>
<b>General - Appraisers.....</b>	<b>4</b>
<b>General – Seller/Servicers.....</b>	<b>7</b>
<b>UAD Standardization Requirements .....</b>	<b>7</b>
<b>System and Process Changes.....</b>	<b>10</b>
<b>Training &amp; Information.....</b>	<b>11</b>

## Appraisal Data Standardization

**Q1. What does appraisal data standardization mean?**

The Uniform Appraisal Dataset (UAD) defines all fields required for an appraisal submission for specific appraisal forms and standardizes definitions and responses for a key subset of fields.

**Q2. Is the information published in the UAD Overview and Field-Specific Standardization Requirements and UAD Technical Specification and its supporting appendices the same for both Fannie Mae and Freddie Mac?**

Yes, the UAD business requirements and technical specification, including its appendices, are identical for both GSEs. These documents may be downloaded from either of the GSE’s web sites.

**Q3. How will appraisers learn about additional appraisal requirements placed on them as a result of this program?**

Implementing this program will require significant discussion, preparation, and training for impacted parties on the uniform dataset and updated appraisal vendor software. FHFA, Fannie Mae, and Freddie Mac are committed to working with appraisal industry trade groups to identify and address communication and training needs for appraisers as we implement the uniform appraisal dataset.

**Q4. Will the current appraisal forms change as a result of the appraisal data standardization requirements?**

No. To ease adoption of the new standards, the current appraisal report forms are not being changed. The GSEs are leveraging and re-purposing existing fields to include a standardized response or in some cases, more data points. Appraisal forms providers are updating their software for appraisers to accommodate the new standards. With the new standards, lenders will be providing more appraisal data to the GSEs than is provided today, but on the existing appraisal report forms.

**Q5. Will there be changes in the way information is entered and printed on the forms?**

Yes. The updated software supporting the forms as provided by the appraisal forms vendors will incorporate standardized field responses, allow for multiple data points in certain fields, and apply constraints on how the data in the forms is to be printed as defined in the UAD Technical Specification. Full technical instructions are available on the GSEs' web sites, but are generally intended for use by those organizations that are creating the updated software or generating printed appraisal report forms.

**Q6. Are all fields required to be completed on the appraisal forms?**

All fields necessary to comply with all GSE, client-specific and Uniform Standards of Professional Appraisal Practice (USPAP) requirements must be completed. Certain fields may be required on some reports and not others depending on the nature of the assignment and the type of the property.

Updated appraisal forms software, based on the UAD Technical Specification, will facilitate this process. For fields that require a standardized response, appraisers should become familiar with the [Field-Specific Standardization Requirements](#) to have a working knowledge of the standardized responses and associated definitions.

Ultimately, lenders will be responsible for reviewing the appraisal report and ensuring that the appraiser has provided all required data. When the lender uploads the electronic appraisal data to the Uniform Collateral Data Portal<sup>SM</sup> (UCDP<sup>SM</sup>), the portal will perform checks to validate that certain data is in compliance with the UAD requirements and when applicable, the portal will return error messages if the data does not conform.

**Q7. What additional information must be provided on the appraisal forms?**

New information will need to be provided on the form that was never explicitly requested before the UAD. For example, the following are new data points that are being requested:

- Days On Market for the subject property and each comparable property
- Specifically defined Condition and Quality Ratings
- Status of improvements to kitchen and bathrooms for the subject property
- Sale type for the subject property and each comparable property

**Q8. Within the UAD Specification documents, what does Required, Conditionally Required, and Transmit mean?**

These terms represent the conditionality of a UAD data point and can be found in *Appendix A and B: Appraisal Forms Mapping*. Appraisal software, vendor, and lender systems generating the electronic appraisal data file for uploading to UCDP must support all of the data points defined in *Appendix A: Appraisal Forms Mapping*. The conditionality column will contain one of the three indicators:

- **Required (R):** The data point must be included in the appraisal XML file.
- **Conditionally Required (CR):** The data point must be included in the appraisal XML file when a defined business condition exists. The conditionally required parameters are provided in the Conditionality Description column.

- **Transmit (T):** The data point must be supported. If populated by the appraiser, then the value must be included in the appraisal XML file.

These requirements translate into 209 required or conditionally required data points on Fannie Mae Form 1004/Freddie Mac Form 70 (91 required, 118 conditionally required). For this key subset of fields, we are providing field-specific standardized definitions and responses.

**Q9. May fields be left blank if the data is not available or applicable?**

If data fields are not applicable because of conditions set forth in the appraisal then those fields should be left blank. Examples of fields that can be left blank when they are not applicable may include contract-related questions for appraisals where the assignment type is a refinance.

All necessary research must be conducted to prepare an accurate and complete appraisal report, which would include all required and applicable conditionally required fields.

**Q10. Does the UAD standardize or limit the information and/or data that appraisers can include in the addenda to an appraisal report?**

No. The UAD does not standardize the data contained in the addenda. In fact, an appendix or an addendum are the preferred sections in which to include additional data such as the legal property address, if it is different from the United States Postal Service (USPS) mailing address.

**Q11. Is the “gray space” usable on the forms?**

No. The gray space on the appraisal report form must be left blank. There is no data mapping for the gray spaces in the UAD Specification, therefore any data placed in these spaces will not be recognized in the electronic appraisal file.

**Q12. What is the difference between data points noted in *Appendix D; Field-Specific Standardization Requirements* that are “Required” versus an “Instruction”?**

These labels are important for lenders to note when they are submitting electronic appraisal data to UCDP because the labels can assist lenders in clearing edits received from the portal. For form fields labeled as a “requirement,” UCDP will validate the data and will return an error message if the data does not conform to the defined reporting format as listed in *Appendices A, B, and D*. For form fields labeled as an “instruction,” UCDP will not validate the reporting format but the data must be transmitted if populated by the appraiser.

**Q13. How many data fields on the appraisal forms are being standardized?**

The UAD standardizes certain data points which will support consistent appraisal reporting by addressing vague or disparate data currently included on some appraisal reports. *Appendix D, Field-Specific Standardization Requirements*, which is included in the UAD Specification, includes 61 form field labels that contain specific requirements.

**Q14. The standardized Condition and Quality ratings do not fit every residential property in my market area. How should the field be completed if a property does not fit exclusively into one condition or quality rating?**

The Condition and Quality rating that most closely fits the property must be selected. Comments and any additional pertinent information that will provide greater clarity around the choice of the condition and quality ratings must be provided.

**Q15. Do you know when the appraisal forms software vendors will release their updated appraisal software that complies with the UAD?**

It is anticipated that most appraisal forms software vendors will release updated software incorporating the UAD requirements in the spring of 2011. Please contact your Appraisal Form Software Vendor for specific timing and guidance.

**Q16. Will the GSEs approve or certify appraisal forms vendors whose software is in compliance with the UAD?**

No. The GSEs are working closely with the appraisal forms vendors as they incorporate the new UAD requirements into the current appraisal forms, but will not certify or approve vendors that are in compliance.

## **General - Appraisers**

**Q17. What appraisal data is being standardized?**

There are two primary data standardization changes. We are:

- Standardizing the inputs for numeric values including dates, dollar amounts, and other numbers; and
- Standardizing the inputs for specific property characteristics for easier comparison of properties.

For other inputs, instructions are being provided to clarify the GSEs' expectations. All of these changes focus on a subset of the fields on the existing appraisal report forms.

**Q18. Are the adoption of the UAD and use of UCDP the first steps in a process to replace appraisers with Automated Valuation Models (AVMs)?**

No. AVMs serve a useful purpose in collateral valuation under certain conditions. However, AVMs cannot replace the depth and breadth of knowledge of a competent appraiser.

**Q19. Some users and readers of appraisal reports (such as borrowers) may not understand some of the standardized responses and abbreviations mandated by the UAD. Will appraisal reports completed using the UAD abbreviations conform to the USPAP?**

Appraisers can include the UAD definitions and abbreviations from the *Field-Specific Standardization Requirements* as an addendum to the appraisal report so that users and readers of appraisal reports will be able to understand the UAD required standardized responses and definitions. The GSEs anticipate that most software vendors will facilitate this process by creating standard addenda for appraisers to include in the appraisal report. Appraisers remain responsible for ensuring compliance with USPAP requirements. When appropriate, an appraiser must supplement the information provided in any appraisal report form being used in order to comply with the appraisal reporting requirements of USPAP.

**Q20. What is a "first-generation PDF"?**

For the purposes of the UAD, a first-generation PDF is a PDF file of the appraisal report that is produced by the appraiser's forms software before the appraisal report is transmitted by the appraiser.

**Q21. Will the UAD be required for appraisals for mortgages being sold to the Federal Housing Agency (FHA) and Department of Veterans Affairs (VA)?**

Fannie Mae and Freddie Mac have jointly developed the UAD and will be implementing the UAD for conventional loans sold to either GSE. Questions pertaining to FHA and VA requirements should be addressed to those organizations directly.

**Q22. If the subject property and a comparable property have features represented on the sales comparison approach grid identically, but which merit an adjustment, is an adjustment permitted? For example, both the subject property and a comparable property feature a view that is rated as Beneficial; Water View (B;Wtr), yet the water view from the subject property is recognized in the market as being superior (or inferior) to the water view from the comparable property.**

Both properties can be rated as having beneficial water views, but the market can recognize a difference in the quality of the views. These differences must be adjusted for in the sales comparison approach grid and an explanation must be provided in the sales comparison approach comment field or in an addendum.

**Q23. If a property's overall rating could be C2, C3, C4, or C5 for Condition, but there is one item alone that could be rated a C6, how should the property be rated?**

The condition of the property should be determined holistically and the best definition should be applied as the overall rating. However, the C6 rating is an exception because it indicates that the property suffers from trait(s) that negatively affect the safety, soundness, or structural integrity of the improvements. As a result, if any portion of the dwelling is rated a C6, the whole dwelling must be rated a C6.

**Q24. The UAD requires the appraisal to indicate whether the subject property's bathrooms have been "not updated," "updated," or "remodeled" within the past 15 years. What if there is a subject property in which there are multiple bathrooms and some, but not all, bathrooms have been updated or remodeled, while the other bathrooms have not been updated or remodeled?**

If there are multiple bathrooms and only some, but not all, are updated or remodeled, the level of improvement provided should be "updated" or "remodeled." Appropriate explanation and commentary describing this situation must be included in the property condition comment field and/or an addendum.

**Q25. The Q1 through Q4 Quality ratings indicate that a property includes exterior and interior ornamentations. How do these ratings apply to a high-quality home of a contemporary or minimalist design?**

The categories for Quality are somewhat generic in nature, as they need to be applied across a wide range of different housing designs, styles, and types. Not every feature listed in a

definition for each Quality rating may apply to a particular property. The appraiser should report their best estimate of the subject's overall quality using the given Q1 through Q6 Quality ratings and definitions. The Quality ratings chosen for each property should be explained, as necessary, in the appraisal report. Additional commentary, as well as other exhibits including photos, are helpful in this regard.

**Q26. Can the UAD Quality and Condition ratings be applied to manufactured housing?**

No. The existing standards to rate the quality and condition of manufactured housing must be used.

**Q27. The UAD requires the sale type for the subject property and each comparable property be reported. How does the "Sale Type" list work?**

The UAD sale type list is a waterfall. Start at the top of the list and select the first sale type that applies. The description may be expanded and additional information about the sale type may be provided elsewhere in the report, if necessary.

**Q28. What if some of the UAD-required information for a comparable property is not available?**

It is expected that an appraiser will determine and perform the scope of work necessary to complete the appraisal assignment, which would include attempting to obtain such information as is available in the normal course of business.

**Q29. What if information about basements is not readily available in the local MLS or public records?**

It is expected that appraisers will attempt to obtain as much information as possible in the normal course of business. This may include contacting listing agents, selling agents, buyers, sellers, or in some cases, making an inquiry to the occupants of a property. This is no different than what should be done today, when necessary. In some cases, it is recognized that the best information that an appraiser can obtain in the normal course of business is an estimate of the area of the basement or the finished area. In such cases, the estimates for the total and finished square footage for these areas must be provided. The appraisal report must include an explanation that the figure(s) provided are estimates and must describe the source for the estimate(s).

**Q30. Can more than one selection for "Location," "Built-Up," "Growth," "Property Values," "Demand/Supply," and "Marketing Times" be provided in the neighborhood section of the appraisal?**

No. The single answer that best applies to each attribute must be determined.

**Q31. What if the complete dates (mm/dd/yyyy) for the prior sales of the subject property or the comparable properties cannot be obtained?**

The appraiser may provide the date in mm/yyyy format if the specific day is not available.

## General – Seller/Serviceicers

### **Q32. Do lenders have to send the appraisal data to both GSEs?**

No. Lenders may upload an appraisal to UCDP and elect to submit it to either or both GSEs. However, lenders must successfully submit an appraisal to the appropriate GSE prior to delivering the related loan to that GSE.

### **Q33. How will the new appraisal dataset affect a lender's appraisal review process?**

Changes will vary lender-by-lender. We recommend each lender review its closing, underwriting, and quality control policies and processes with enough lead time to accommodate the implementation of the new standards and delivery of the electronic appraisal data. Underwriters should become familiar with the requirements of the UAD Specification and determine what changes need to be incorporated into their processes.

### **Q34. Will there be a transition period for implementing the new appraisal data standards?**

Yes. We encourage lenders to begin using the new appraisal data standards and delivering appraisals to UCDP before the required implementation dates. Appraisals conducted using the four required UAD appraisal forms must be completed using the UAD specification beginning with appraisals that have an effective date on or after September 1, 2011. Lenders are required to deliver appraisals to the portal before the delivery date of the mortgage starting with loan deliveries on or after March 19, 2012, for loan applications dated on or after December 1, 2011.

### **Q35. Will data from the appraisal dataset transfer to loan delivery or must data be resubmitted to loan delivery?**

The data submitted to UCDP does not import into the GSEs' respective loan delivery systems.

## UAD Standardization Requirements

### **Q36. The UAD limits the information that the appraiser can enter into some data fields on the appraisal forms. What can the appraiser do if the appraiser believes that different, or additional data, should be entered into such data fields?**

An addendum to the report should be provided and/or information can be included in the additional comments sections.

### **Q37. The UAD requires that the United States Postal Service (USPS) standardized mailing address be included in the appraisal report. Where should the legal address of the property be included if the lender requires that information?**

The legal address of the property may be included in an addendum.

- Q38. If the site size of the subject property and some of the comparables is less than one acre, and the site size of other comparables is greater than one acre, will the appraiser be required to report the subject property and the comparable sales that are less than one acre in square feet, and the comparable sales with site sizes greater than 1 acre, in acres, or can the appraiser choose to report the site size of all of the properties using the same unit of measure?**

The UAD requires the site size for all properties that are less than one acre to be reported in square feet and the site size of all properties that are one acre or greater to be reported in acres.

- Q39. Does the UAD standardize the *Market Conditions Addendum* (Fannie Mae Form 1004MC/ Freddie Mac Form 71)?**

No. The UAD specification does not standardize any of the data fields contained in the *Market Conditions Addendum*. Appraisers should continue completing *the Market Conditions Addendum* per existing Fannie Mae and Freddie Mac requirements.

- Q40. What if a house was built in two different years? For example, the original part of the structure was built in 1950 and an addition was constructed in 2002?**

The year built/age of the original part of the structure should be entered.

- Q41. With so many fields being standardized (such as Condition and Quality ratings) is there any requirement or purpose of providing a narrative description anymore?**

Yes. Narrative descriptions are required in order to comply with GSE guidelines and USPAP reporting requirements. For instance, this may include providing a narrative explanation as to how and/or why an appraiser assigned a particular Condition rating (C1, C2, C3, C4, C5, or C6) to the subject property and comparable sales.

- Q42. Are the Quality ratings (Q1 – Q6) consistent with other industry standards?**

The Quality ratings in the UAD were developed independently and are proprietary to Fannie Mae and Freddie Mac. Fannie Mae and Freddie Mac have designed the Condition and Quality ratings to eliminate the ambiguity within existing appraisal reports around these key fields.

- Q43. Will appraisers still be able to place effective age, along with actual age, in the Sales Comparison Grid?**

The UAD requires only the actual age to be entered in the "Actual Age" field on the Sales Comparison Grid for the subject property and comparable properties. However, there are three additional fields located at the bottom of the Sales Comparison Grid that can be utilized to report any additional data about the subject property and comparable sales that an appraiser feels is appropriate.

- Q44. What if a USPS address does not exist for a property?**

The physical address of the property should be provided. **If the property is new construction** and an address has not been assigned, the appraisal should provide as much information as

possible to allow for the identification of the location of the property. This field may not be left blank.

**Q45. What if the USPS address is a PO Box?**

The physical address of the property should be provided in the property address field. If necessary, any additional information or explanation about the property address may be included in an addendum to the appraisal report.

**Q46. What if there is a conflict between the physical address and the official address from the municipality?**

The actual physical address of the subject property should be provided. If necessary, any additional information or explanation regarding the property address may be included in an addendum to the appraisal report.

**Q47. When can an appraiser start using the UAD?**

The use of the UAD is required for appraisals reported on the four UAD appraisal forms with an effective date on or after September 1, 2011. Prior to that date, appraisers who have updated their appraisal forms software to a version designed to prepare UAD-compliant appraisal reports can start using the UAD, but are not required to use the UAD, if required by their client.

**Q48. Can the UAD be applied to the other GSE appraisal report forms?**

Yes. The UAD specifications may be applied to the other GSE appraisal forms, where applicable, if required by the client. However, an explanation of any standardized ratings/definitions, abbreviations, and formatting must be included in the appraisal report or an addendum.

**Q49. Where is the name of an AMC involved in an appraisal assignment reported?**

The AMC name must be reported on Page 6 of the appraisal report in the "Name" field under "Lender/Client". The "Lender/Client" field on Page 1 of the appraisal report should be used for the lender only.

**Q50. If the "None" box is checked for "car storage" in the Improvements Section of the appraisal report, is any additional information required under "car storage"?**

Yes. If "None" is indicated, then "0" must be entered for the number of cars for the driveway, garage and carport.

**Q51. The UAD requires the distance between the subject property and the comparable properties to be reported in miles with a directional indicator. How does this apply to properties that are located in the same building or in very close proximity to each other (i.e., the subject and the comparable property are condominium units located within the same building)?**

In cases where the subject property and comparable property are located in the same building, the distance is to be reported in miles. However, in such cases a directional indicator is not required. For example, for condominium units located in the same building, the required

distance for this field could be reported as “0 miles”, “0.0 miles” or “0.00 miles.” For properties that are located in very close proximity to each other, but not in the same building (such as adjoining properties or properties located across the street from each other), the distance is reported in miles with a directional indicator. For adjoining properties, a correct entry for the required distance and a directional indicator could be similar to the following examples: "0.01 mile W" or "0.04 mile NE."

**Q52. Can the latitude and longitude of the subject property be provided to identify its physical location?**

Yes. The latitude and longitude of the property may be provided in the “Map Reference” field. The latitude must be provided first, followed by the longitude.

**Q53. What if a view or location associated with a property is not on the UAD view or location factor list?**

“Other” must be chosen and a free form description of the property’s view or location should be provided. A more detailed description may be provided in the sales comparison approach comment or in the addendum, if necessary.

**Q54. What if there are multiple views associated with a property?**

If there are multiple views associated with the subject property or one of the comparable properties, up to two view factors from the UAD-provided list may be selected or select “Other” and provide a free form response describing all of the view factors that affect the value of that property. A more detailed description may be provided in the sales comparison approach comment or in the addendum, if necessary.

## **System and Process Changes**

**Q55. What systems and process updates do lenders need to make in order to implement the new appraisal data standards?**

Systems and process changes will vary by lender and depend on how the lender captures, processes, and stores appraisal data (if electronically at all). In general, system changes will be required if appraisal data is captured, stored, and processed within the lender’s organization for quality control, workflow, or other purposes. If a lender is not processing the data today and leverages a vendor, such as an Appraisal Management Company (AMC), then it is less likely systems changes will be required. All lenders should evaluate their processes for reviewing the new appraisal standards in the underwriting, quality control, closing and other origination functions.

**Q56. What challenges will lenders face in adopting the new standards?**

Staff training and process adjustments are some of the key areas that should be addressed by most lenders to prepare for these changes. Appraisal reviewers and underwriters will need to be familiar with the UAD requirements and may need to reject appraisals that do not meet the UAD standards. Lenders who process electronic appraisal data in-house will need to adopt the new

MISMO 2.6 Property Valuation Response Version 2.6 Schema Errata 1 with proprietary GSE extensions file format if they plan to continue to process and store the data in-house.

**Q57. Who needs to implement the proprietary extensions and what is the level of effort?**

All of the major forms vendors will provide an output XML file that includes all of the required UAD data with the proper extensions. Most lenders will pass that XML report to UCDP and will not develop separate systems to comply with the GSE extensions. Lenders, vendors, and AMCs who are collecting, storing, and processing the electronic appraisal data will need to build out the XML file with the GSEs' proprietary extensions to capture all of the required data in the appropriate enumerations and reporting formats. Appendices A, B, and C are designed to help organizations building the file with the data mapping, format, and placement work.

**Q58. What types of compliance checks should lenders develop within their own processes?**

Lenders, vendors, and AMCs may want to implement systemic and process edits, or other checks, to ensure that the GSE data requirements are being met by the incoming appraisal report forms (electronically and in the PDF versions). Lenders will need to build capacity to make sure the necessary reviews and quality controls are in place in the various functions working with appraisal data.

## Training & Information

**Q59. Will the GSEs offer training for appraisers on the requirements of the UAD?**

The GSEs are working closely with appraisal industry and software vendors to provide a variety of training options throughout the industry. Training options will include a recorded tutorial available 24 hours a day, 7 days a week, on the GSEs' web sites and materials distributed through appraisal software providers and trade organizations.

**Q60. Will the GSEs provide any training support for lenders?**

Yes. The [recorded tutorial for the UAD](#) is available for lender staff that should be familiar with the new standards including the new valid values and their definitions (condition, quality and improvements). Additional information and training programs will be provided by the GSEs.