



[redacted] 2014



Dear Appraiser,

Fannie Mae reviews appraisals it receives for data quality in connection with mortgages that Fannie Mae acquires or securitizes. We recently conducted a review of appraisals performed by you during a recent six-month period. That review revealed several data inconsistencies of note.

Specifically, multiple appraisals you have prepared contained inconsistent condition and quality ratings for the same property and same transaction. In addition, the quality and condition ratings you have chosen are consistently similar to the subject of the appraisal in many cases. Two such examples are as follows:

In the appraisal of [redacted] comp number [redacted] received a rating of [redacted] that same property was used as comp number [redacted] in the appraisal of [redacted] NV, yet it received a rating of [redacted]. In both cases, these ratings were identical to the subject of the appraisal.

In the appraisal of [redacted] comp number [redacted] received a rating of [redacted]. That same property was used as comp number [redacted] in the appraisal of [redacted] yet it received a rating of [redacted]. In both cases, these ratings were identical to the subject of the appraisal.

“When an appraiser selects a rating and/or description of the subject property for a sale transaction, the selected rating and/or description must:

Remain the same when reflecting that specific transaction. For example, if a C4 rating is selected for the sale of the subject property, then that property remains a C4 when using that specific sale as a comparable in future reports. The same expectation holds true for ratings and descriptions of comparable sales; when a comparable is used in a subsequent appraisal, the ratings and descriptions of that property should not change from one appraisal to the next when it reflects the same sale transaction.”

For additional guidance on the use of the UAD Condition and Quality rating, please see the UAD Field Specific Standardization Requirements, and the UAD Update dated April 2012.

Fannie Mae will continue to monitor the quality of your appraisal reports. It is important that you provide accurate and reliable information in your appraisals. If there continue to be issues with the appraisal data, Fannie Mae will contact you regarding the continued data deficiencies contained in your reports, and take other actions as appropriate.

Questions or comments may be addressed to appraiser_quality_monitoring@fanniemae.com or by regular mail to:

Fannie Mae
Attn: Appraiser Quality Monitoring 8H-404
3900 Wisconsin Ave.
Washington, DC 20016

Sincerely,

Appraiser Quality Monitoring