



# Gateway Mortgage Group

## Appraisal Review Policy

When reviewing appraisals, care should be taken to ensure the appraisal meets the guidelines for FNMA, GNMA/HUD and so forth. Please refer to the actual guidelines for details in age of comps, distance, etc.

When the review of an appraisal has been completed, there should be one of 4 decisions made, with the following course of action to be followed:

#1- Appraisal meets guidelines of FNMA, GNMA/HUD and/or investor and the AUS underwriting system does not indicate property is in a declining value market area, and **underwriter believes the appraised value is a fair representation of the property's current market value.**

- Course of Action= None.

#2- Appraisal meets guidelines of FNMA, GNMA/HUD and the AUS underwriting system does not indicate property is in a declining value market area, **but underwriter is not confident in the appraisal's indication of current market value.**

- Course of Action= Order an AVM through Hanqual. If the AVM supports the value and makes the underwriter feel confident of current market value, no other action is needed. If the AVM does not support value or creates/confirms underwriter suspicion of over-valuation, Underwriter should escalate the file to a desk review or a field review requirement.
- Desk Review requirement- Done when AVM doesn't show any additional comps (like one would expect to see for rural properties) or minor issues appear to be on the appraisal. Desk reviews are ordered through Landsafe by the underwriter.
- Field Review requirement- Underwriting should make an attempt to ascertain the property value using an AVM or Desk review where possible. However a field review can be required when AVM doesn't add any clarity to the value question and the appraisal seems to be done so poorly that a desk review would not suffice.

Branch/Broker is notified of the field review requirement and they will give us authorization to order on the branch/broker's behalf and the fee will be charged to the branch/broker.

**#3- Appraisal meets guidelines of FNMA, GNMA/HUD and the AUS underwriting system indicates the property is in a declining value market area.**

- Course of Action= AVM does not suffice in these instances. A desk or field review is required. A desk review (Landsafe) should be ordered when the appraisal is in overall acceptable condition or any issues appear minor. A field review should be required in cases where the appraisal is not in acceptable condition or has major issues. Branch/Broker is notified of the field review requirement and they will give us authorization to order on the branch/broker's behalf and the fee will be charged to the branch/broker.

**#4- Appraisal meets guidelines of FNMA, GNMA/HUD and the AUS underwriting system does not indicate property is in a declining value market area, but appraiser states that the property is in a declining market.**

- Course of Action= Same as #3 Above.

