

Uniform Appraisal Dataset (UAD) and Forms Redesign Initiative FAQs

June 2020

The following provides answers to questions frequently asked about Fannie Mae and Freddie Mac's joint efforts to update the Uniform Appraisal Dataset (UAD).

1. What is the UAD?

The UAD is a standardized industry dataset for appraisal information that is communicated electronically through the Uniform Collateral Data Portal® (UCDP®). At the direction of the Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac (GSEs) jointly developed the first UAD in 2010 using the Mortgage Industry Standards Maintenance Organization (MISMO®) Reference Model 2.6, providing consistent data standards for the loans the GSEs purchase.

2. Why is the UAD being updated?

The dataset is being updated to reflect changes to the appraisal industry, address future appraisal needs, and facilitate ongoing digitization in the appraisal process and the mortgage industry.

An updated dataset will enable the retirement of the current appraisal forms, replacing them with a data-driven, flexible, and dynamic report, that will still allow appraisers to provide comments in each section. Conditionality will drive what data must be provided based on the characteristics of the property, providing clear-cut support for the appraisal's final value conclusion and improved readability of the appraisal report for all audiences.

In addition, appraisal data is currently submitted to the GSEs using the MISMO Reference Model 2.6; this version is outdated and no longer supported by MISMO. As part of this update, the UAD will upgrade to the latest MISMO Reference Model (3.x).

3. What is the timeline for implementing the updated UAD and what progress has been made so far?

No implementation date has been set as the UAD joint-GSE team is currently collecting additional industry feedback and updating requirements. During 2018, the first year of the multi-year UAD and Forms Redesign, the UAD joint team's focus was on targeted interviews with industry stakeholders to gather input to inform data requirements, and establishing the UAD advisory group. In 2019, the team conducted a broad industry survey and engaged in report design, data mapping and proposing changes to the MISMO Reference Model. Activities in 2020 will include continued industry engagement about proposed Uniform Residential Appraisal Report (URAR) design; developing additional URAR examples to support all property types and the Appraisal Update and Completion Report.

4. Is this part of the Appraisal Modernization initiative?

No. While both the UAD and Forms Redesign initiative and the Appraisal Modernization initiative were undertaken at the direction of the FHFA, only the UAD and Forms Redesign initiative is a joint-GSE effort. Each GSE is developing its own Appraisal Modernization effort.

5. Will the appraisal forms be redesigned?

Yes, the appraisal forms listed below will be retired and replaced with a data-driven, flexible, dynamic structure for appraisal reporting in the form of a redesigned URAR. This report will have a similar look and feel to the redesigned Uniform Residential Loan Application (URLA) and the Closing Disclosure (CD).

- Uniform Residential Appraisal Report Fannie Mae 1004/Freddie Mac Form 70

- Individual Condominium Unit Appraisal Report Fannie Mae 1073/Freddie Mac Form 465
- Exterior-Only Inspection Individual Condominium Unit Appraisal Report Fannie Mae 1075/Freddie Mac Form 466
- Exterior-Only Inspection Residential Appraisal Report Fannie Mae 2055/Freddie Mac Form 2055
- Manufactured Home Appraisal Report Fannie Mae 1004C/Freddie Mac 70B
- Individual Cooperative Interest Appraisal Report Fannie Mae 2090
- Exterior- Only Individual Cooperative Interest Appraisal Report Fannie Mae 2095
- Small Residential Income Property Appraisal Report Fannie Mae 1025/Freddie Mac 72
- Appraisal Updated and/or Completion Report Fannie Mae 1004D/Freddie Mac 442
- Single Family Comparable Rent Schedule Fannie Mae 1007/Freddie Mac 1000

6. Will there be a 1004MC?

No, there will not be a 1004MC. There will be a market section in the new URAR that enables appraisers to expand on the market conditions.

7. Which property types will be supported by the updated UAD?

The updated UAD will support the following property types: Single-Family, Condominium, Manufactured Home, Cooperative, and 2-4 Unit Property.

8. Will the updated UAD accommodate different scopes of work?

Yes. The updated UAD will support desktop, exterior-only, hybrid, and traditional appraisals.

9. Will the updated UAD contain more information than the current dataset?

The updated UAD will contain more discrete data elements to support the broader scope of all property types listed above; however, the requirements are still being defined, so the number of final data elements is not yet known. The current legacy forms do not allow for expansion of information or commentary within the relevant section, which often results in large addenda. The UAD joint team has evaluated the type of information found in the addenda, converted some of it to discrete data elements, and will provide the ability to include commentary within each section of the URAR. The GSEs are taking particular care to evaluate each data element requirement to support consistent appraisal reporting for the appraiser and make it easier for lenders and borrowers to review and understand the data.

10. Will the Sales Comparison Appraisal Approach (SCA) grid change?

Yes. The new SCA grid, like the new appraisal report, will be data driven. The support for adjustments will reside in the grid, allowing the reader of the report to understand the adjustments without searching within the text.

11. How will the GSEs collect the updated data?

The GSEs will continue to use UCDP. Adopting an upgraded UAD Specification that reflects the latest MISMO Reference Model will require updates to the UCDP.

12. Will the UAD Specification be identical for both Fannie Mae and Freddie Mac?

Yes. The GSEs are working together on the joint UAD Specification.

13. What is the timeline for the updated UAD Specification publication?

An updated UAD Specification timeline has not yet been determined. The GSEs are currently working through the MISMO Residential Appraisal Dataset Development Work Group (RADDWG) to vet the proposed Reference Model changes.

14. How will this update affect appraisals for government agencies?

The GSEs are working closely with the government agencies – Federal Housing Administration (FHA), United States Department of Agriculture (USDA) Rural Development, and Veterans Affairs (VA) – to include their specific requirements in the updated UAD.

15. Will the GSEs support paper appraisal forms?

No. The GSEs do not currently accept paper forms and will not do so with the updated UAD. All appraisal reports must continue to be transmitted electronically through UCDP.

16. Will appraisers be able to use legacy appraisal data to populate a new appraisal report (compliant with the updated UAD)?

The GSEs would like for appraisers to have the ability to use their legacy data to assist in the completion of future appraisals; however, the ability to do so will depend on the functionality of the software used by the appraiser.

17. Will there be education provided to the industry?

Yes. Educational training and materials will be provided by the GSEs to appraisers and lenders prior to the adoption of the updated UAD.

18. Will appraisers be able to complete non-mortgage appraisal reports with the updated UAD?

No. Just as today, the updated UAD is intended for mortgage-lending purposes.