

# Uniform Residential Appraisal Report

## (Fannie Mae form 1004 / Freddie Mac form 70)

Fannie Mae and Freddie Mac (the government-sponsored enterprises [GSEs]) have been tasked by the Federal Housing Finance Agency (FHFA) with exploring appraisal modernization. One common theme regularly mentioned in the appraisal industry is the concept of alternative appraisal processes such as so-called hybrids and desktops. Today's standard appraisal form (Uniform Residential Appraisal Report [URAR]) Scope of Work, Limiting Conditions, and Certifications that both Fannie Mae and Freddie Mac have aligned to and adopted does not accommodate these types of alternative processes. With FHFA's permission, the GSEs have created and aligned on a modified set of Scope of Work, Limiting Conditions, and Certifications that allow Fannie Mae and Freddie Mac to separately explore alternative appraisal processes. This engagement in no way signals any design or intention to align on any other aspect of appraisal modernization or appraisal policy (other than the ongoing Uniform Appraisal Dataset/Forms Redesign alignment).

- Hybrid** An appraisal assignment consisting of a desktop appraisal for which the scope of work includes reviewing a recent interior/exterior property data report.
- Desktop** An appraisal assignment for which the scope of work does not include field work by the appraiser and does not include reviewing a recent interior/exterior property data report.
- Traditional** An appraisal assignment for which the scope of work includes an interior and exterior personal, onsite inspection of the subject property completed by the appraiser who signs the appraisal report, and the effective date of the appraisal is the date of inspection.

### Multiple scopes / certifications

|   | Data collection method   | Certification   |
|---|--|---|
| <b>Traditional</b><br>Fannie Mae 1004<br>Freddie Mac 70                             | <b>Physical inspection</b><br>of the interior and exterior of subject property by the appraiser  | <b>Appraiser</b><br>performed a complete visual inspection of the interior and exterior areas of the subject property                                       |
| <b>New Hybrid</b><br>Fannie Mae 1004 Hybrid<br>Freddie Mac 70H                      | <b>Physical inspection</b><br>of the interior and exterior of subject property by a third party or an appraiser<br><br><b>Virtual inspection</b><br>of the interior and exterior of subject property by a third party or an appraiser using tools such as Skype, FaceTime, or others to allow remote viewing | <b>Appraiser</b><br>may not have performed a personal inspection of the subject property; relying on subject property information from property data report |
| <b>New Desktop</b><br>Fannie Mae 1004 Desktop<br>Freddie Mac 70D                    | <b>No physical inspection</b><br>appraiser uses prior URAR or hybrid, MLS, public record data, or other sources  | <b>Appraiser</b><br>did not perform a personal visual inspection of the subject property at the time of the desktop report                                  |
| <b>(to be retired) Test Form</b><br>Fannie Mae 1004P<br>Freddie Mac 70H (July 2019) | <b>Physical inspection</b><br>of the interior and exterior of subject property by a third party or an appraiser  | <b>Appraiser</b><br>may not have performed a personal visual inspection of the subject property   |
| <b>Temporary* COVID-19 exterior-only</b>  | <b>Physical inspection</b><br>of the exterior of subject property by the appraiser   | <b>Appraiser</b><br>performed a personal visual inspection of the exterior of the subject property from the street (revised Certifications)                 |
| <b>Temporary* COVID-19 desktop</b>  | <b>No physical inspection</b><br>appraiser uses MLS, public record data, other online sources  | <b>Appraiser</b><br>did not perform a personal visual inspection of the subject property, but relied on third-party data sources (revised Certifications)   |