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UAD and Forms Redesign: A Conversation About Common Questions

Since 2018, we – Freddie Mac and Fannie Mae (the GSEs) – have been working on a multi-year initiative to improve appraisal data quality and consistency through an updated Uniform Appraisal Dataset (UAD) and redesigned Uniform Residential Appraisal Report (URAR) that’s standardized for any residential property type.

During this time, we’ve collaborated closely with key stakeholders throughout the industry to gather information and feedback to help inform the work we’re doing. Recently, we’ve begun sharing our vision for this initiative with the broader industry through speaking engagements, a [tentative timeline](#), and an [educational video](#).

We’ve been excited by the response so far, and naturally, we’ve also received some questions. That’s great. It means people are interested and engaged – and it gives us an opportunity to provide additional information. With that in mind, **Sean Murphy**, Freddie Mac Single-Family, Credit Policy Risk Analytics Manager and **Ken DeFeo**, Fannie Mae Single-Family, Credit Risk Senior Manager sat down to answer a few of the most common questions we’ve received so far.

Q: Why is the UAD being updated?

Sean: The dataset hasn’t been updated since 2010 and there are just too many appraisal forms, all of which were designed to be completed using typewriters. Technology and innovation are transforming the entire mortgage industry. The updates we’re making to the dataset will reflect changes in the appraisal industry, address future appraisal needs, and make it easier to keep up with the ongoing digitization in the appraisal process and mortgage industry.

Appraisal data is currently submitted to the GSEs using the no-longer-supported MISMO Reference Model 2.6. This update will allow us to upgrade to the latest MISMO Reference Model (3.x).

Moreover, it’ll allow the retirement of the current appraisal forms, replacing them with a data-driven, flexible, and dynamic report that will be better organized and populated based on the property type and characteristics. A report that will provide clear-cut support for the appraisal’s final value conclusion and be more digestible for all audiences viewing it.

Q: One of the stated benefits of this initiative is the standardization of data. How will this help the new UAD make it easier to describe and identify the property characteristics?

Ken: The standardized data in the new UAD will allow appraisers to better define the property (outbuildings, additional units, site influences, energy efficient and green features, etc.), helping lenders and other end users get a more holistic view and greater understanding of the property characteristics. Additionally, any concerns that require attention will no longer be buried in an

addendum. Instead, they'll be easily identified in each section of the report. Ultimately, this standardized approach will make it easier for lenders to verify property eligibility and determine the overall collateral risk on the loans they're originating.

Q: Appraising properties with accessory dwelling units (ADUs) has been notoriously tricky. How will they be captured in the new URAR?

Sean: Information about ADUs will be captured in the same way it is for a 2- to 4-unit property, with a flag to indicate it's an ADU. The same data points for both will be described in the body of the appraisal report and can be adjusted for in the sales comparison approach. This will provide for more consistent reporting, helping to remove some of the grey area when there are additional units. So, on the new URAR, if the appraiser indicates that the additional unit is an ADU, they'll then be required to provide more information about the rental legality and use of the additional unit.

Q: Is the new UAD for mortgage purposes only?

Ken: Yes. The new UAD and the new URAR are for mortgage purposes only. Additionally, since the new URAR will be a data-driven, flexible, dynamic form that supports all property types eligible for purchase by the GSEs, the legacy forms will be retired for GSE purposes.

Q: Will there be a period of time provided to phase in the new UAD?

Sean: Yes. First, this is a multi-year project. There's still more work to be done and we don't expect the implementation of the new UAD to start until at least 2024. And just like other Uniform Mortgage Data Program (UMDP) projects, there will be an introductory period during which both the legacy dataset and the new dataset are accepted by the GSEs.

Q: Will the GSEs provide a period for stakeholders to test the new UAD and URAR prior to their being required broadly?

Ken: Yes. Again, while this is still a ways off, the GSEs plan to offer a limited production period for early adopters – similar to what was just done with the roll out of the new Uniform Loan Application Dataset (ULAD) and Uniform Residential Loan Application (URLA) – to use the new UAD and URAR in a controlled implementation. There will also be ample time for testing prior to broad adoption by the industry.

As you can imagine, these aren't the only questions we've received. If you'd like to see answers to some of the other questions we've gotten, please check out our [FAQs](#) – we'll continue to update them when needed. For more information about the UAD and Forms Redesign please visit the GSEs' websites at sf.freddiemac.com/uad and fanniemae.com/uad.