

Uniform Appraisal Dataset & Forms Redesign Initiative

Summary Report For Stakeholders

March 2022

This communication relates to the Uniform Mortgage Data Program®, an effort undertaken jointly by Fannie Mae and Freddie Mac at the direction of the Federal Housing Finance Agency.

Message to Stakeholders

Fannie Mae and Freddie Mac (the GSEs) are pleased to provide an update on the new Uniform Residential Appraisal Report (URAR).

This summary report shares the journey of the Uniform Appraisal Dataset and Forms Redesign Initiative, providing information about how stakeholder input shaped the new URAR and an overview of its most impactful new features. Key benefits of the new URAR include:

- Dynamic output with commentary placed within each topic
- Standardized data that allows appraisers to better define the property, providing a more holistic view and greater understanding of the property characteristics
- Flexibility, allowing the URAR to be easily adapted to address future industry-wide needs

Please share this report with colleagues and contacts that you believe will benefit from learning more about the new URAR.

The GSEs extend a huge thank you to stakeholders for sharing feedback throughout the redesign process. Whether you participated in interviews, surveys, or virtual bulletin boards, your input has been instrumental in developing the new URAR. Together we made the new report better, and we look forward to seeing the impact of our collaborative efforts in market.

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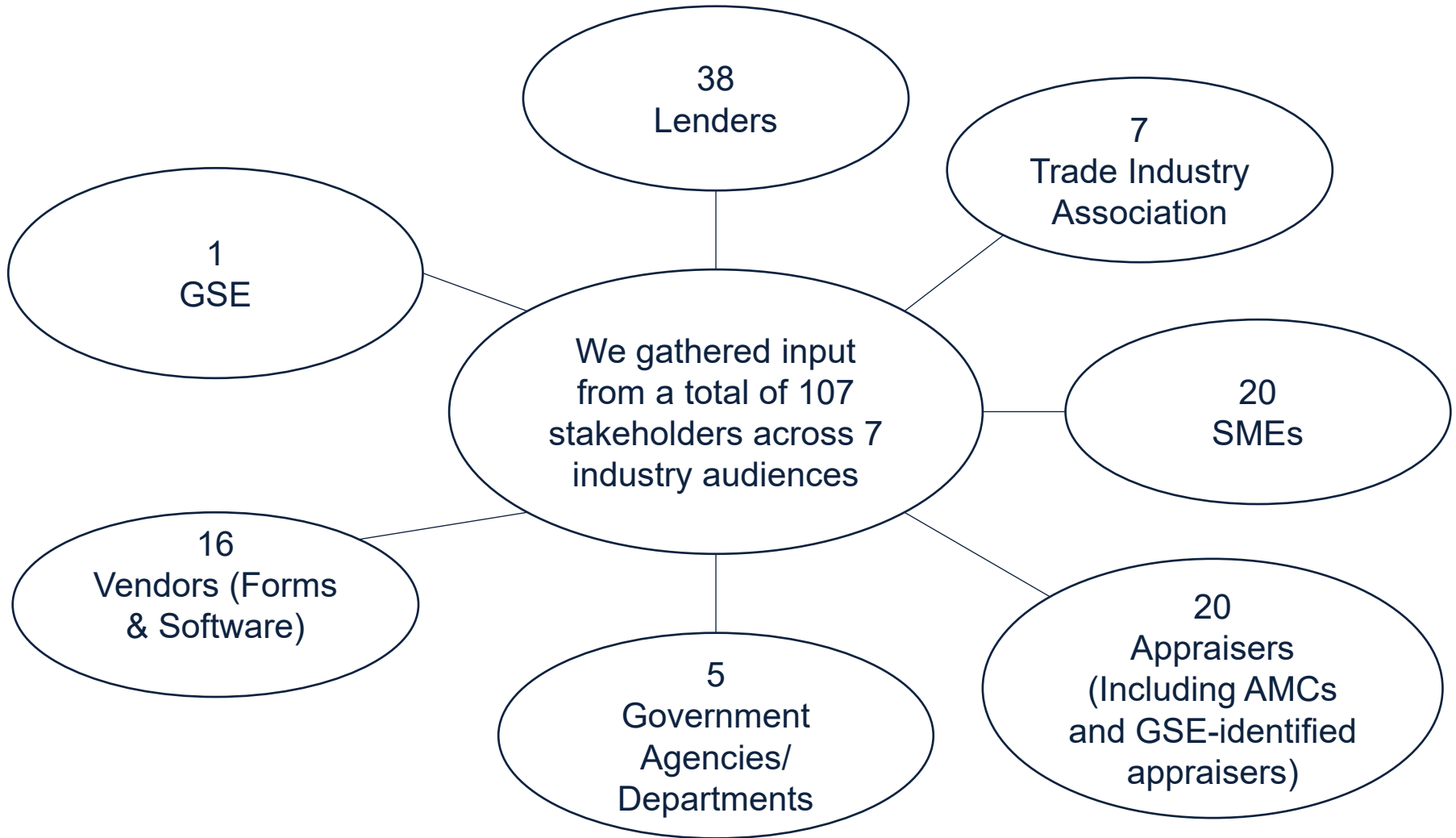
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The Redesign Journey

Stakeholder Participants



Our Approach to the Challenge

Background

- As part of the Uniform Mortgage Data Program (UMDP), the GSEs worked on a joint effort to standardize the URAR as part of modernizing the current UAD dataset and forms.
- Using a data driven approach along with input from lenders, appraisers, and other key industry stakeholders, three phases of research were conducted to streamline the mortgage appraisal process with user-friendly content and formatting.
- Using findings from each research phase, the GSEs worked to adjust and tune new iterations of the URAR according to the feedback.

Overview of 3 Research Phases


- Phase 1 included exploratory qualitative research conducted by the GSEs through interviews among lenders, appraisers, and others in the industry to understand perceptions of the Legacy Form.
- Phase 2 was a quantitative survey used to validate findings from Phase 1 and to obtain feedback on proposed changes to the Legacy Form.
- Finally, Phase 3 was additional qualitative research in a Virtual Bulletin Board (VBB) setting used to capture feedback among key end-users on a new URAR and understand how well the revised report would meet stakeholders' needs in terms of content and format.

Virtual Bulletin Board (VBB) Process

Sample screenshot from VBB

The Process

- PSB Insights hosted 5 online feedback sessions via VBBs, one for each housing scenario (Single-Family, Condominium, Manufactured Home, Co-operative, and 2-to-4 Unit). Each VBB was open for 2 or 4 consecutive weeks, during which time stakeholder participants were able to review and answer questions about a variety of URAR sections with proposed changes. The VBBs functioned as 1-to-1 conversations between moderator and participant.
- The VBB methodology was identified by the GSEs as the optimal approach to achieve our objectives as it allowed stakeholders to look at each section of the report and give initial feedback that could be monitored and addressed in real time. The VBB setting also allowed stakeholders more time to digest the URAR sections and respond in-depth to questions that would be challenging to answer in a brief interview or focus group setting.


 **About this virtual bulletin board**
Jonathan G (Moderator)

The Uniform Appraisal Dataset (UAD) Forms Redesign team would like to welcome you to our virtual bulletin board! Thank you for your involvement with the UAD Advisory Group thus far. Your feedback is a vital part of this process, and we appreciate the time you're taking to participate.

Over the next 2 weeks, we'd like to walk you through a complete Manufactured Home URAR and ask your thoughts both on the layout and the information it contains. **We'll be focusing on sections of the URAR that are particular to the Manufactured Home scenario, though there will be the option to share feedback on the other sections if you desire.** In an effort to make reviewing each section of the report easy, and to help get through all of the information, you will see many of the same questions in each section. Think of this as a one-on-one conversation about the report - no other participants will see your posts, and you will not see theirs.

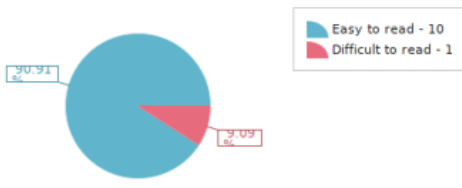
About this virtual bulletin board

- This board will be open for 2 consecutive weeks, but you can work through each section at your own convenience. We only ask that all mandatory questions are completed by **midnight on 11/2/20.**
- Even if you finish all of the questions in advance of the closing date, please return to the board at least once or twice before the closing date to check for and answer any follow-up questions that may have been left for you.
- If you need technical assistance at any time, please email our support team at UAD.VBB@psbinsights.com. They are always here for you and happy to help!


 **Question 3**
Jonathan G (Moderator)

How readable was this URAR? Did you find it...

In addition to selecting a response from the options provided, please use the comment box to explain why you answered as you did.



Easy to read	10
Difficult to read	1

 26 (10/23/2020 8:26 AM)

Overall, the form is readable and easy to understand.

Answer

Easy to read

Group Tags:
Lender

Outcome of VBB Research

- Input gathered from stakeholders during the VBB research gave us confidence that the proposed changes to the new URAR were on the right track and helped us understand how the new features would be more easily used and applied in the real world.
- In particular, the new URAR was perceived as nimble and readable, with stronger narrative flow and data organization.
- Stakeholders also shared feedback and suggestions to make the new URAR more user-friendly and focused on the most relevant content.
- Based on the VBB findings, the GSEs utilized key feedback to optimize the new URAR to meet industry needs.

Highlights of Stakeholder VBB Input

Positive Feedback

- Overall, stakeholders felt the changes to the report are helpful and think the report is moving in the right direction.
- Stakeholders especially liked the inclusion of **photos of relevant items** and the **dynamic links** to the photos/exhibits.
- The ample **space for commentary** throughout the report was especially well received by appraisers and end-users.
- Stakeholders felt that the updated form and expanded standardized field responses will **foster consistency in data collection and analysis** that will **streamline** the appraisal and underwriting review processes.

Suggestions For Improvement

- Stakeholders suggested minor **reordering and reorganizing within sections to better align with the review process** and foster streamlined comparison and analysis.
- Lenders and vendors emphasized a desire to focus on **only relevant data points** in order to **streamline the process** and **reduce back-and-forth** between lenders and appraisers.
- Combining data and images within a **grid format** works well, and further **visual simplification** will also aid the readability of the report.
- Stakeholders also recommended **changing the nomenclature of some headings and fields** to clarify the intended input and better **align with corresponding data and/or USPAP definitions** to which appraisers and lenders are accustomed.



Spotlight on New URAR Form Features

New URAR Features

- This section introduces the most substantial and visible changes to the new URAR, focusing on the new features that are perceived by stakeholders to have significant benefits for users.
- For each feature, we summarize why it was introduced, share stakeholder feedback from VBB research, and describe or show form iterations (e.g., legacy form, URAR tested in VBB, new URAR).

Flexibility

1. Dynamic Output Report
2. Dynamic Sales Grid

Usability

3. Replaced General Addenda
4. New Summary Page
5. Photo Placement Within Relevant Section
6. Section Order Updates
7. Descriptions Without Abbreviations

Consistency

8. Data Standardization
9. USPAP Compliance

Essential Details

10. Review Process
11. Unit Updates
12. Accessory Dwelling Units

Dynamic Output Report

In comparison to the legacy form, the new URAR is now dynamic and can be applied to any property being evaluated. By adding flexibility within the scope of work, the report can adapt and adjust to unseen circumstances.

Key Benefits

- ✓ One standardized report will help minimize lender review time on atypical properties the current UAD form struggles with appraising, such as site condos and 2-4 units within a condominium project.
- ✓ Flexibility allows for lenders and investors to easily adapt to future industry-wide needs.

Legacy Form

The Legacy Form is a complex, static form with a grid-like structure. It includes sections for Dimensions, Area, Shape, View, Zoning, Utilities, Off-site Improvements, FEMA Special Flood Hazard Area, and a large General Description section with numerous checkboxes for various property features like Units, Foundation, Exterior Description, Interior, and Amenities.

URAR Tested in VBB

The new URAR form is more dynamic and user-friendly. It features sections like Site, Zoning, Site Influence, View and Impact to Value/Marketability, and Utilities and Impact to Value/Marketability. The form uses clear headings and organized data to present information more effectively than the legacy form.

Dynamic Sales Grid

The new URAR uses a modern and dynamic grid to show comparable property values when appraising a home. The updated section allows for more objectivity in the appraisal process and provides additional information to assist in valuing a property appropriately.

Key Benefits

- ✓ Data in the grid is now more discrete and can be used for further analysis in a comprehensive and accessible manner.
- ✓ The grid is now more specific to the property and helps craft a clearer picture within the comparable data.

Legacy Form

URAR Tested in VBB

New URAR



General Information	Subject Property	Comparable #1	Comparable #2	Comparable #3
Property Address	521 Fallon Oak Ct Smithfield, VA 23145	341 Rapid Creek Ln Smithfield, VA 23145	188 Fallon Oak Ct Smithfield, VA 23145	210 Cannon Ball Rd Smithfield, VA 23145
Data Source Identifier	MLS 123456	MLS 134567	Public Records 1234567	MLS 678910
Condition Rating	120481234	120481234	120481234	120481234
Proximity to Subject	17 mile	20 mile	4 mile	12 mile
List Price	\$489,000	\$460,000	\$449,900	\$525,000
Listing Status	Under Contract	Sold	Sold	Sold
Sale Price	\$489,000	\$460,000	\$450,000	\$520,000
Sale or Financing Concessions	\$5,000	\$8,000	\$0	\$10,000
Contract Date	09/17/2019	07/22/2019	09/10/2019	07/02/2019
Days on Market	12	6	14	8
Property Rights Appraised	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site Size	14,950 Sq. Ft.	17,888 Sq. Ft.	11,039 Sq. Ft.	16,039 Sq. Ft.
Site (Detail)	Sunny Side	Sunny Side	Sunny Side	Hillside
Neighborhood Name	Sunny Side	Sunny Side	Sunny Side	Hillside
Topography Impact	Rolling Adverse	Rolling Adverse	Rolling Adverse	Flat Neutral
Site Influence (Location/Drain)	None	None	Busy Roadway Adverse	\$5,000
View	Residential Neutral	Residential Neutral	Residential Neutral	Residential Neutral
View Impact	Residential Neutral	Residential Neutral	Residential Neutral	Residential Neutral
Year Built	2004	2004	2004	2001
Attached/Detached	Detached	Detached	Detached	Detached
Levish	3	3	3	3
Energy Efficient and Green Features	None	None	RESNET's HERS 61	\$0
Overall Quality and Condition	Q4	Q4	Q4	Q4
Quality Rating	Q4	Q4	Q4	Q4
Condition Rating	C4	C4	C4	C4



General Information	Subject Property	Comparable #1	Comparable #2	Comparable #3
Property Address	521 Fallon Oak Ct Smithfield, VA 23145	341 Rapid Creek Ln Smithfield, VA 23145	188 Fallon Oak Ct Smithfield, VA 23145	210 Cannon Ball Rd Smithfield, VA 23145
Data Source	MLS 123456 Public Record	MLS 134567 Public Record	MLS 678910 Public Record	MLS 678910 Public Record
Proximity to Subject	17 Miles N	20 Miles N	4 Miles NE	12 Miles NE
List Price	\$489,000	\$460,000	\$449,900	\$525,000
Listing Status	Under Contract	Sold	Sold	Sold
Contract Date	09/17/2019	07/22/2019	09/10/2019	07/02/2019
Days on Market	12	6	14	8
Property Rights Appraised	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site Size	14,950 Sq. Ft.	17,888 Sq. Ft.	11,039 Sq. Ft.	16,039 Sq. Ft.
Site (Detail)	Sunny Side	Sunny Side	Sunny Side	Hillside
Neighborhood Name	Sunny Side	Sunny Side	Sunny Side	Hillside
Topography	Rolling	Rolling	Rolling	Flat
Site Influence (Location)	Residential Full	Residential Full	Residential Full	Residential Full
Site Influence (Drain)	None	None	Busy Roadway Adverse	\$5,000
View	Residential Neutral	Residential Neutral	Residential Neutral	Residential Neutral
View Impact	Residential Neutral	Residential Neutral	Residential Neutral	Residential Neutral
Year Built	2004	2004	2004	2001
Attached/Detached	Detached	Detached	Detached	Detached
Levish	3	3	3	3
Energy Efficient and Green Features	None	None	RESNET's HERS 61	\$0
Overall Quality and Condition	Q4	Q4	Q4	Q4
Quality Rating	Q4	Q4	Q4	Q4
Condition Rating	C4	C4	C4	C4

Dynamic Sales Grid

Stakeholders gave positive feedback regarding the organization and layout of the updated Sales Comparison Approach and its use of dynamic grids. Concerns over the length and abundance of information were addressed.

Stakeholder Input

*“Breaking out the differences in the Quality and Condition area for the comparables in more detail **makes it easier to understand the adjustments made.**”*

– SME

*“The **expandable grid** makes it very nice to **address a variety of property features.**”*

– Trade/Industry Association

*“**Lots of detail**, likely won’t be of much help in most cases.”*

– Lender

*“The sales grid should be included on **ONE page rather than TWO**. Suggest consolidating.”*

– Appraiser

Impact on New URAR Design

- The updated sales grid leverages these concerns from stakeholders and reordered sections to make them clearer while keeping the same consistency throughout the report.
- Subsections such as Dwelling, General Information, and "Property Analyzed not Used" had updates with additions and reorganization.

Replaced General Addenda

Commentary space is placed within the section of the new URAR with which it is associated. For comparison, the legacy form provides commentary space at the end of the form, thus splitting up comments from the reference point.

Key Benefit

- ✓ By placing commentary within each topic, additional information can be referred to easily, increasing usability for the appraiser, borrower, and lender.

Legacy Form

Uniform Residential Appraisal Report Form #

New URAR

Confidential
Uniform Residential Appraisal Report Page 13 of 25

Vehicle Storage (continued)

Vehicle Storage Commentary
Additional commentary can be added here, if needed by Appraiser.

Vehicle Storage - Garage

Subject Property Amenities

Amenity Category	Subject Property Amenity	Material	Detail
Outdoor Accessories	Fence		
Outdoor Living	Patio	Pavers	144 Sq. Ft.
	Porch	Concrete	351 Sq. Ft.
Whole Home	Indoor Fireplace		Total Number - 1
Miscellaneous	Media Room		
	Wet Bar		

Apparent Defects, Damages, Deficiencies (Subject Property Amenities)
None

Subject Property Amenities Commentary
Additional commentary can be added here, if needed by Appraiser.

Replaced General Addenda

The legacy form requires attachment of a long narrative addendum to discuss non-standardized information. Stakeholders reacted positively to replacement of the addendum with integrated, section-specific commentary in the URAR as tested.

Stakeholder Input

“Commentary under each section within site is beneficial.”
 – Lender

*“Very **simple and clear**. Contains place for all pertinent details. **Helps to have place in this section for appraiser to add commentary** specific to this topic rather than in an addendum located several pages deeper into the report.”*
 – Other

*“The location of all of this data together assists the reader as **it is not necessary to search for commentary throughout the report**. Range of view is beneficial. The additional information on adverse and beneficial site features are also positive.”*
 – Lender

Impact on New URAR Design

- Most stakeholders were positive about including commentary space within the relevant sections in place of having addenda at the end.
- Multiple updates to the report were made to include ample commentary space within the report as well.

New Summary Page

In the legacy form, much of the important information pertaining to the property is scattered across various pages. With the inclusion of a dedicated Summary Page in the new URAR, appraisers can easily identify key aspects in a more user-friendly manner.

Key Benefits

- ✓ The Summary Page presents an easy to digest method of obtaining the most pertinent information about a property.
- ✓ Sets up a designated narrative flow for the rest of the report which allows appraisers to note important pieces of the property.

URAR Tested in VBB

Single_Family_Scenario-1_v28 Page 2 of 29

Summary 123 Fallen Oak Court, Smallville, VA 12345

General Description		Effective Date	09/20/2019
Final Opinion of Value	\$490,000	Overall Quality	Q4
Final Value Condition	Subject to Repair	Overall Condition	C4
Sales Contract Price	\$489,000	Appraiser Name	Amy Allen
Borrower Name	Mary Jones	Appraisal Management Company	XYZ Appraisal Management Company
Current Owner of Public Record	Michael Jones		
Assignment Reason	Purchase		
Inspection Type	Interior and Exterior		
Listing Status	Under Contract		
3 Year Transfer History	No		

Property Description		Property Rights Appraised	Fee Simple
Attachment Type	Detached	Units	1
Project	Not in a Condo or Coop	Accessory Dwelling Units	0
Planned Unit Development (PUD)	Yes	Deed Restrictions	None
Land Owned in Common	No	Encroachments	None
Construction Method	Site Built		
Parcels	1		

Apparent Defects, Damages, Deficiencies Summary

Feature	Defects, Damages, Deficiencies	Location	Comment	Affects Habitability or Structural Soundness	Appraisal Requirement	Estimated Cost to Repair
Flooring	Discoloration	Dining Room	Carpet is stained in one corner of the Dining Room.	No	As Is	
Roof	Damaged Flashing		Flashing is missing on one side of the house which could cause leaks from the roof.	Yes	Repair	\$500
Total Cost						\$500

Appraiser Reference ID AA12345
Client Reference ID 1234567


New URAR

Uniform Residential Appraisal Report
123 FALLEN OAK CT., SMALLVILLE, VA 12345

SUMMARY

Opinion of Market Value	\$490,000	Market Value Condition	Subject to Repair
Final Value Condition Statement This appraisal is made subject to the itemized list of repairs or alterations below on the basis of a hypothetical condition that the repairs or alterations have been completed.			
Effective Date of Appraisal	09/20/2019	Appraiser Name	Agatha Appraiser
Assignment Reason	Purchase		
Borrower Name	Betty Borrower		
Current Owner of Public Record	Bob Borrower		
Contract Price	\$489,000		
Listing Status	Pending		

Property Description		Overall Quality	Q4
Construction Method	Site Built	Overall Condition	C4
Attachment Type	Detached		
Planned Unit Development (PUD)	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
Condominium	<input type="checkbox"/>		
Cooperative	<input type="checkbox"/>		
Subject Site Owned in Common	<input type="checkbox"/>		
Units Excluding ADUs	1		
Accessory Dwelling Units	0		
Property Rights Appraised	Fee Simple		



Apparent Defects, Damages, Deficiencies Requiring Action

Feature	Location	Description	Affects Soundness or Structural Integrity	Recommended Action	Estimated Cost to Repair
Roof	Roof	Damaged roof with missing flashing leaving the roof permeable to water intrusion.	Yes	Repair	\$1,000
Total Cost					\$1,000

Appraiser Reference ID AA12345
Client Reference ID 1234567

New Summary Page

Generally, stakeholders responded favorably to the inclusion of the Summary Page due to its ability to create an easy-to-absorb snapshot of the most important information in the appraisal.

Stakeholder Input

*“I like that **at a glance** you can get an idea about the property and transaction. It brings **all of the pertinent appraisal details to the forefront** in an easy to comprehend fashion, including **notable items that may require further action.**”*

– Other

*“Sales Comparison Summary ‘grid’ and photos **should be removed from this page.**”*

– Lender

*“I would suggest **moving the fields with names to the right.**”*

– Vendor

Impact on New URAR Design

- Respondents on the VBBs liked the formatting and design of the summary page but requested some edits to the order of the information presented.
- In response to this, some sections were reordered to increase clarity and reusability.
- Terminology such as “Effective Date of Appraisal” and “No. of Spaces” were included in order to add clarity.

Photo Placement Within Relevant Section

The placement of photos is one of the most noticeable changes that stakeholders saw when looking at the URAR tested in VBB. In the legacy form, photos were shown at the end, whereas in the new URAR they are shown in the relevant sections.

Key Benefits

- ✓ Photos being placed within their relevant sections instead of having them at the end of the report provides more context to that section and allows the photos to make more sense to the user.
- ✓ Readability is improved with the new placement of the visuals. This allows the end-user to more efficiently take in the important information in the new URAR and understand it better.

URAR Tested in VBB

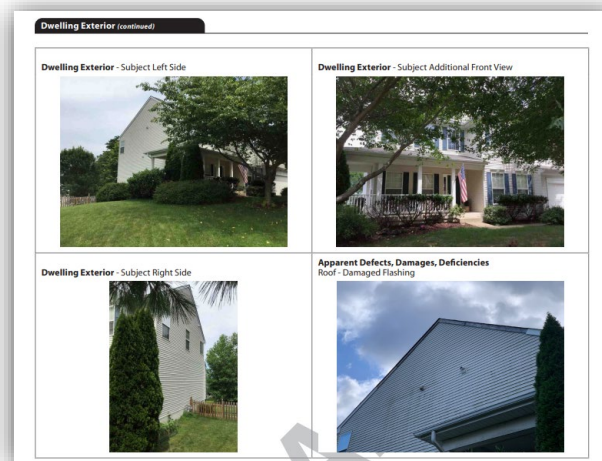
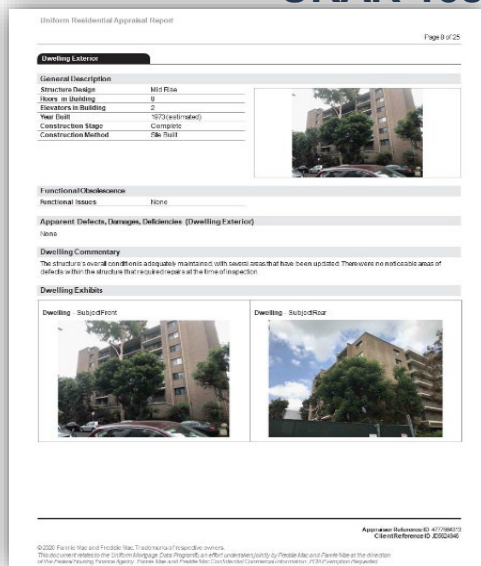


Photo Placement Within Relevant Section

Stakeholders were extremely satisfied with the new placement of photos within the URAR tested in VBB. Key benefits cited by stakeholders were satisfaction with the additional context that the visuals provided to the text, overall understanding of the property, and better flow.

Stakeholder Input

*“I believe the layout **strikes the right balance** between information given in the description along **with supporting pictures to document the description.**”*

– Trade/Industry Association

*“Including the exterior **photos with the description helps with overall understanding** of the property.”*

– Lender

*“Like the layout and the differentiated sections within it that prompts the appraiser to provide all of the necessary information. The order of the information flows well. **Very helpful to have the exterior photos here rather than at the end of the report.**”*

– Other

Impact on New URAR Design

- These positive comments on photos in the tested version of the report reaffirmed the decision to place the photos within certain sections instead of at the end.
- More photos were also included into the final report that were not in the tested version as a result of this positive feedback from respondents.

Section Order Updates

There is a vast amount of information in the new URAR, and it is crucial for this information to be laid out a highly logical and clear way. One example of a section order update is that the “Approaches to Value” and “Appraisal Summary” sections under “Reconciliation” were reordered.

Key Benefits

- ✓ Order updates allow the new URAR to flow more logically and provide more clarity.
- ✓ Updates also allow the most important or pertinent information to be shown first in any given tab.

URAR Tested in VBB

Reconciliation						
Appraisal Summary						
Opinion of Market Value	\$490,000	Market or Exposure	Reasonable Exposure Time			
Appraisal Report Effective Date	09/20/2019	Time	0-90 Days			
Market Value Condition	Subject to Repair					
Final Value Condition Statement This appraisal is made subject to the itemized list of repairs or alterations below on the basis of a hypothetical condition that the repairs or alterations have been completed.						
Reconciliation Commentary						
The Sales Comparison Approach is the only approach given weight in this report. This area is highly market driven.						
Approach to Value						
	Sales Comparison Approach	Cost Approach	Income Approach			
Indicated Value	\$490,000					
Reason for Exclusion		Not Necessary for Credible Results	Not Necessary for Credible Results			
Itemized List of Repairs						
Feature	Defects, Damages, Deficiencies	Location	Comment	Affects Livability or Structural Integrity	Appraisal Requirement	Estimated Cost to Repair
Dwelling						
Flooring	Discoloration	Dining Room	Carpet is stained in one corner of the Dining Room.	No	As Is	
Roof	Damaged Flashing		Flashing is missing on one side of the house which could cause leaks from the roof.	Yes	Repair	\$500
Total						\$500



New URAR

Reconciliation						
Approaches to Value						
	Sales Comparison Approach	Income Approach	Cost Approach			
Indicated Value	\$490,000					
Reason for Exclusion		Not Necessary for Credible Results	Not Necessary for Credible Results			
Appraisal Summary						
Contract Price	\$489,000	Reasonable Exposure Time	0-90 Days			
Opinion of Market Value	\$490,000	As Is Overall Condition Rating	CS			
Effective Date of Value	09/20/2019	Existing condition of the property as of the effective date of this appraisal, excluding all required repairs, alterations or inspections				
Market Value Condition	Subject to Repair					
Final Value Condition Statement This appraisal is made subject to the itemized list of repairs or alterations below on the basis of a hypothetical condition that the repairs or alterations have been completed.						
Reconciliation of Market Value						
The Sales Comparison Approach is the only approach given weight in this report. This area is highly market driven.						
Apparent Defects, Damages, Deficiencies						
Feature	Location	Description	Affects Soundness or Structural Integrity	Recommended Action	Estimated Cost to Repair	
Dwelling						
Flooring	Dining Room	Carpet is stained in one corner of the Dining Room.	No	None		
Roof	Section of Roof	Damaged roof with missing flashing leaving the roof permeable to water intrusion.	Yes	Repair		\$1,500
Total						\$1,500

Section Order Updates

Stakeholders suggested various areas throughout where the section order could be changed to create a more logical flow. This created an opportunity for the new URAR to show information in an order that makes the most sense for end-users.

Stakeholder Input

“We might recommend switching the order of sections and putting ‘Approaches to Value’ section first, followed by ‘Appraisal Summary’... This would facilitate a natural ‘funnel down’ to the opinion of value.”

- Vendor

“The order of some of the fields could be rearranged to improve the flow of information. I would suggest moving the assignment reason up, under the market value condition and before sales contract price..”

- Lender

“I would change the order of presentation of data... It seems more logical and less disjointed.”

- SME

Impact on New URAR Design

- The new URAR features many of the suggested reorder updates made by respondents to improve the clarity of the report.
- Some sections in the report were also split into multiple sections or renamed. For example, the Dwelling tab was split into Dwelling Exterior and Unit Interior.

Descriptions Without Abbreviations

The legacy form included little room for descriptions and often had to resort to using unclear abbreviations and free form text to display characteristics about the property. In the new URAR, readability is increased by using full descriptions without abbreviations.

Key Benefits

- ✓ Subjectivity reduced by replacing text with clearly defined elements.
- ✓ Areas for text are now more uniform and accessible.

Legacy Form

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls		Floors	
# of Stories	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls		Walls	
Type <input type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area sq. ft.	Roof Surface		Trim/Finish	
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish %	Gutters & Downspouts		Bath Floor	
Design (Style)	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type		Bath Wainscot	
Year Built	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated		Car Storage <input type="checkbox"/> None	
Effective Age (Yrs)	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens		<input type="checkbox"/> Driveway # of Cars	
Attic <input type="checkbox"/> None	Heating <input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities <input type="checkbox"/> Woodstove(s) #		Driveway Surface	
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel	<input type="checkbox"/> Fireplace(s) # <input type="checkbox"/> Fence		<input type="checkbox"/> Garage # of Cars	
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Patio/Deck <input type="checkbox"/> Porch		<input type="checkbox"/> Carport # of Cars	
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool <input type="checkbox"/> Other		<input type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in	
Appliances <input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)					
Finished area above grade contains:	Rooms	Bedrooms	Bath(s)	Square Feet of Gross Living Area Above Grade	
Additional features (special energy efficient items, etc.)					
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.)					
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe					
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe					

New URAR

Confidential
Uniform Residential Appraisal Report
Page 7 of 25

Dwelling Exterior

Dwelling Style Colonial
Year Built 2004
Construction Method Site Built
Converted Area None

Quality and Condition
Exterior Quality Rating Q4 Exterior Condition Rating C4
The tables below provide support to the Exterior Quality and Exterior Condition Ratings

Exterior Features

Feature	Detail	Quality Comment	Condition Status	Condition Comment
Exterior Walls and Trim	Vinyl	Add comment if needed.	Typical Wear and Tear	Minor cracks to vinyl typical for age.
Foundation	Poured Concrete Basement	Add comment if needed.	Typical Wear and Tear	Add comment if needed.
Roof	Composition 11-20 Years	Add comment if needed.	Damaged and Non-functional	Damaged roof with missing flashing leaving the roof permeable to water intrusion.
Windows		Thermal Double Hung	Typical Wear and Tear	Add comment if needed.

Mechanical System Details

System	Detail	Other Mechanical Systems	Sump Pump
Heating	Forced Warm Air Heat Pump	Natural Gas Electric	Water Heater
Cooling	Centralized Heat Pump		

Apparent Defects, Damages, Deficiencies (Dwelling Exterior)

Feature	Location	Description	Affects Soundness or Structural Integrity	Recommended Action
Roof	Section of roof	Damaged roof with missing flashing leaving the roof permeable to water intrusion.	Yes	Repair

Descriptions Without Abbreviations

Stakeholders liked the increased legibility within the URAR tested in VBB. They also appreciated the dedicated space to increase readability and layout of the design.

Stakeholder Input

“The ease in locating information. Again, the layout is the strongest part.”

– Trade/Industry Association

*“The strongest part of the layout is that **its easy to read**. Not too much information on one page.”*

– Trade/Industry Association

*“**Much easier to read** than current format.”*

– Lender

*“The manufactured home section is **very detailed and laid out in a logical sequence** which makes it easy to read and understand. **Critical information is readily visible.**”*

– SME

Impact on New URAR Design

- The overall layout remained largely unchanged. Based on stakeholder feedback, language and formatting in the report were kept consistent throughout.
- Due to this, the report does not display too much information at once and is spaced appropriately.

Data Standardization

In place of free-form text, discrete data in the new URAR provides the proper foundation to allow for the needed flexibility required to support future modernization projects.

Key Benefits

- ✓ Machine readable data allows for better identification of key indicators, increasing productivity.
- ✓ Data in the new URAR is more objective, reducing the chance of repurchasing due to incorrect ratings applied by the appraiser.

Legacy Form

Uniform Residential Appraisal Report										File #	
There are comparable properties currently offered for sale in the subject neighborhood ranging in price from \$										to \$	
There are comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$										to \$	
FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3			
Address											
Proximity to Subject											
Sale Price											
Sale Price/Gross Liv. Area											
Data Source(s)											
Verification Source(s)											
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions											
Date of Sale/Time											
Location											
Leasehold/Fee Simple											
Site											
View											
Design (Style)											
Quality of Construction											
Actual Age											
Condition											
Room Count											
Gross Living Area											
Basement & Finished											
Rooms Below Grade											
Functional Utility											
Heating/Cooling											
Energy Efficient Items											
Garage/Carport											
Porch/Patio/Deck											
Net Adjustment (Total)											
Adjusted Sale Price of Comparables											

All comments and data in this report refer to a version of the URAR developed and tested in 2020.

New URAR

Sales Comparison Approach				
General Information	Subject Property	Comparable #1	Comparable #2	Comparable #3
Property Address	123 Fallen Oak Ct. Smallville, VA 12345	241 Rapid Creek Ln. Smallville, VA 12345	188 Fallen Oak Ct. Smallville, VA 12345	210 Cannon Ball Rd. Smallville, VA 12345
Data Source		MLS 123456 Public Record	MLS 334567 Public Record	MLS 678910 Public Record
Proximity to Subject		.37 Miles N	.06 Miles N	.4 Miles NE
List Price	\$489,000	\$460,000	\$449,000	\$525,000
Listing Status	Pending	Settled Sale	Settled Sale	Settled Sale
Contract/Sale Price	\$489,000	\$460,000	\$450,000	\$520,000
Sales Concessions	\$5,000	\$8,500	\$0	\$10,400
Contract Date	09/17/2019	07/22/2019	08/05/2019	07/02/2019
Closing Date		08/17/2019	09/10/2019	08/31/2019
Days on Market	12	12	6	14
Property Rights Appraised	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site	14,950 Sq. Ft.	17,886 Sq. Ft.	13,038 Sq. Ft.	16,039 Sq. Ft.
Neighborhood Name	Sunnyvale	Sunnyvale	Sunnyvale	Hillside
Topography	Rolling	Rolling	Rolling	Flat
Site Influence (Location)	Residential	Residential	Residential	Residential
View / Range	Residential Full	Residential Full	Residential Full	Residential Full
Dwelling (s)	2004	2004	2004	2001
Dwelling Style	Colonial	Colonial	Colonial	Colonial
Heating	Forced Warm Air Natural Gas	Forced Warm Air Natural Gas	Forced Warm Air Natural Gas	Forced Warm Air Natural Gas
Cooling	Centralized	Centralized	Centralized	Centralized
Energy Efficient and Green Features	RESNET HERO5 (E2)	None	RESNET HERO5 (E1)	None
Units	4	4	4	4
Bedrooms	4	4	4	4
Baths Full Half	3 1	2 1	2 1	3 1
Finished Area Above Grade (G/A)	3,002 Sq. Ft.	3,265 Sq. Ft.	3,700 Sq. Ft.	2,816 Sq. Ft.
Finished Area Below Grade	1,300 Sq. Ft.	0 Sq. Ft.	1,200 Sq. Ft.	1,330 Sq. Ft.
Unfinished Area Below Grade	230 Sq. Ft.	1,624 Sq. Ft.	65 Sq. Ft.	148 Sq. Ft.
Basement Access	Walk Out	Walk Up	Walk Up	Walk Out

This communication relates to the Uniform Mortgage Data Program®, an effort undertaken jointly by Fannie Mae and Freddie Mac at the direction of the Federal Housing Finance Agency.

USPAP Compliance

The legacy form missed opportunities to align with USPAP, such as helping to ensure consistency across verbiage and relevant data points. Aligning the new URAR with USPAP means that all reports follow the same guidelines related to wording and compliance.

Key Benefits

- ✓ USPAP compliance supports inclusion of all necessary data points.
- ✓ Subjectivity reduced by replacing text with clearly defined elements.

New URAR

Cert-5 Variations for Onsite Inspections

- 5. I personally performed an onsite inspection of the interior and exterior areas of the subject property. I reported the readily observable condition of the improvements in factual, specific terms. I identified and reported any known physical deficiencies that could affect the soundness or structural integrity of the property.
- 5. I personally performed an inspection of the exterior areas of the subject property from at least the street. I reported the readily observable condition of the improvements in factual, specific terms. I reported any known physical deficiencies that could affect the soundness or structural integrity of the property.
- 5. I did not personally perform an onsite inspection of the subject property as part of this appraisal assignment. I reported the condition of the improvements in factual, specific terms, relying on subject property information data sources I considered reliable. I reported any known physical deficiencies that could affect the soundness or structural integrity of the property.

Highest and Best Use

Highest and Best Use

Is the present use of the subject property ...

<u>Legally Permissible</u>	Yes _____	<u>Financially Feasible</u>	Yes _____
<u>Physically Possible</u>	Yes _____	<u>Maximally Productive</u>	Yes _____

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? Yes No

Highest and Best Use Commentary

Additional commentary can be added here, if needed by Appraiser.

Cert-26 Variations for Prior Services

- 26. I have not performed any service regarding the subject property within the three years preceding the agreement to perform this assignment.
 - 26. I have performed services regarding the subject property within the three years preceding the agreement to perform this assignment.
- Description of Prior Services:**

USPAP Compliance

Stakeholders made suggestions to update various verbiage and information in the URAR tested in VBB to become more compliant with USPAP. New data points were added, and some legacy wording was updated.

Stakeholder Input

“USPAP requires the appraiser to state ‘The effective date of value and the date of the report.’ You mix the two terms and come up with: ‘Appraisal Report Effective Date.’”

– Appraiser

“Certification section should include section for prior services, exposure time and should be amendable as certain USPAP or other requirements change.”

– Lender

“Exposure Time should be added underneath Marketing Time as they are different and required by USPAP.”

– Appraiser

Impact on New URAR Design

- The new URAR includes a heavier emphasis on capturing data to facilitate USPAP compliance.
- Data points were added to support USPAP, such as:
 - Marketing Time
 - Reasonable Exposure Time
 - Effective Date of Appraisal
 - Date of Signature and Report

Review Process

The inclusion of more discrete, machine-readable data will allow stakeholders to implement more streamlined review processes.

Key Benefits

- ✓ Information in the new URAR can be more easily flagged for risk.
- ✓ Information is better organized, more granular, and clearer to understand, potentially reducing correction requests.
- ✓ The report is specific to each property's characteristics without being locked into a single form number/property type (e.g., site condos).

Legacy Form

General Description	Foundation	Exterior Description materials/condition	Interior materials/condition
Units <input type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Floors
# of Stories	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Walls
Type <input type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area sq. ft.	Roof Surface	Trim/Finish
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish %	Gutters & Downspouts	Bath Floor
Design (Style)	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Bath Wainscot
Year Built	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	Car Storage <input type="checkbox"/> None
Effective Age (Yrs)	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	<input type="checkbox"/> Driveway # of Cars
Attic <input type="checkbox"/> None	Heating <input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities <input type="checkbox"/> Woodstove(s) #	Driveway Surface
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel	<input type="checkbox"/> Fireplace(s) # <input type="checkbox"/> Fence	<input type="checkbox"/> Garage # of Cars
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Patio/Deck <input type="checkbox"/> Porch	<input type="checkbox"/> Carport # of Cars
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool <input type="checkbox"/> Other	<input type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in

New URAR

Exterior Features				
Feature	Detail	Quality Comment	Condition Status	Condition Comment
Exterior Walls and Trim	Vinyl	Add comment if needed.	Typical Wear and Tear	Minor cracks to vinyl typical for age.
Foundation	Poured Concrete Basement	Add comment if needed.	Typical Wear and Tear	Add comment if needed.
Roof	Composition 11-20 Years	Add comment if needed.	Damaged and Non-functional	Damaged roof with missing flashing leaving the roof permeable to water intrusion.
Windows		Thermal Double Hung	Typical Wear and Tear	Add comment if needed.

Unit Updates

Stakeholders called attention to other aspects of a property that may need additional detail. Based on this feedback, new information was added to the new URAR.

Stakeholder Input

“Add flooring to the kitchen and bathroom details section, since this is typically different from the rest of the house. In the Interior Features section, the flooring would then be for the remainder of the home.”

– Lender

*“Comment section for Unit Mechanical System Details, in order to **address if something uncommon to the area** is adequate to heat the home and/or impairment to marketability.”*

– Lender

*“Mechanical System Details also need[s] to have a **column for whether the HVAC is at each unit of the project or a centralized/shared system.**”*

– Lender

Impact on New URAR Design

- The new URAR will allow all flooring materials and condition for each Unit.
- The new URAR made significant improvements upon the legacy form by including granular data to detail important aspects of a property.
- The new URAR will have project amenities and utilities included in the association fee.

Accessory Dwelling Units

The legacy form did not have as much space for details on accessory dwelling units on properties and this left out necessary context on the properties being described. The new URAR provides more room for these units to be detailed.

Key Benefits

- ✓ Additional details on accessory dwelling units provide more context to the property being described.

Legacy Form

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls		Floors	
# of Stories	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls		Walls	
Type <input type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area sq. ft.	Roof Surface		Trim/Finish	
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish %	Gutters & Downspouts		Bath Floor	
Design (Style)	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type		Bath Wainscot	
Year Built	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated		Car Storage <input type="checkbox"/> None	
Effective Age (Yrs)	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens		<input type="checkbox"/> Driveway # of Cars	
Attic <input type="checkbox"/> None	Heating <input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities <input type="checkbox"/> Woodstove(s) #		Driveway Surface	
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel	<input type="checkbox"/> Fireplace(s) # <input type="checkbox"/> Fence		<input type="checkbox"/> Garage # of Cars	
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Patio/Deck <input type="checkbox"/> Porch		<input type="checkbox"/> Carport # of Cars	
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool <input type="checkbox"/> Other		<input type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in	
Appliances <input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)					
Finished area above grade contains: Rooms Bedrooms Bath(s) Square Feet of Gross Living Area Above Grade					
Additional features (special energy efficient items, etc.)					
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.)					
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe					
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe					

New URAR

Unit Interior - Standalone ADU

Area Breakdown		Levels in Unit	1
Finished Above Grade (GLA)	464 Sq. Ft.	Occupancy	Owner
Unfinished Above Grade	0 Sq. Ft.	Utilities Separately Metered	No
Finished Below Grade	0 Sq. Ft.	Total Bedrooms	0
Unfinished Below Grade	0 Sq. Ft.	Total Bathrooms - Full	1
GLA Data Source	Assessor Record	Total Bathrooms - Half	0
	MLS		
	Physical Measurement		

Unit is an ADU	Yes
Legally Rentable	Yes
Data Source	Assessor Record
Typical for Market	Yes
Ingress/Egress	Exterior Access Only
Separate Postal Address	No

Level	Grade Level Detail	Finish	Area	Room Summary
1	Above Grade	Finished	464 Sq. Ft.	1 - Bath - Full 1 - Kitchen 1 - Living Room

Accessory Dwelling Units

Stakeholders in the VBBs provided additional feedback on the accessory dwelling unit sections, with most saying they liked this additional information and wanted even more included. This reaffirmed the decision to include this detail in the new URAR.

Stakeholder Input

*“The layout looks good. Like that this section advises if there is an **accessory unit** on the property.”*

– SME

*“**There should be additional zoning questions**, such as: 1) Is single family residential an allowable use? 2) Is 2-4 Family an allowable use? 3) Are there any other general uses allowed (select all that apply) 3) Does the zoning district allow for **accessory units**? 4) Does the property conform to the set back requirements? 5) Does the property conform to the density requirements? 6) Does the property conform to the Parking requirements?”*

– Appraiser

Impact on New URAR Design

- The new URAR provides more detail on accessory dwelling units compared to the older legacy forms.
- For example, the report now collects the same level of information on the ADU as the Unit, as well as ADU specific questions.



Next Steps and Resources

Next Steps

- The details of the new URAR are currently being finalized by the GSEs. The report is under review and undergoing pressure tests to ensure accuracy and usability.
- We heard loud and clear that **appraiser education is key**. Additional training and educational resources beyond this report will be rolled out along with the new URAR.
- We greatly appreciate the input received from 107 stakeholders during the redesign journey. If you would like to participate in future collaborative research efforts conducted by the GSEs, or if you have additional questions or suggestions related to the new URAR, please share them with us at UAD@FreddieMac.com and UAD_Info@FannieMae.com.

Resources

Fannie Mae links

Overview

- [UMDP Fact Sheet](#)
- [UAD Overview](#)
- [UAD Redesign Overview](#)
- [UAD Redesign Timeline](#)

FAQs

- [UAD Redesign FAQs](#)
- [UAD Common Questions and Answers](#)

More Information

- [UAD Contact Form](#)
- [Legacy Form](#)
- [UAD Homepage](#)

Freddie Mac links

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