

Value Acceptance + Property Data Fact Sheet

Value acceptance + property data extends value acceptance (appraisal waiver) benefits to more borrowers while identifying current subject property characteristics including condition.

Value Acceptance Steps

1. Lender receives value acceptance + property data offer from Desktop Underwriter (DU)
2. Lender arranges for property data collection
3. Lender or service provider submits the results to Fannie Mae's Property Data Application Programming Interface (API)
4. Lender resubmits loan to DU

*See flowchart on page 4 for more details.

Resources

- [Valuation Modernization web page](#)
- [Selling Guide announcement](#)
- [Uniform Property Dataset web page](#)
- [Selling Guide topics](#):
 - [B4-1.1-02, Lender Responsibilities](#)
 - [B4-1.4-11, Value Acceptance + Property Data](#)
 - [A2-4.1-01, Establishing Loan Files](#)
 - [B4-1.2-03, Hybrid Appraisals](#)

Benefits

- ✔ Reduces origination cycle time and may reduce borrower costs
- ✔ Promotes safety / soundness by obtaining current observation of the subject property
- ✔ Provides operational simplicity and certainty at application

Note: Fannie Mae estimates that value acceptance (appraisal waivers) on loans sold to us saved mortgage borrowers over \$2.1 billion in 2020-2022.¹

What lenders can expect

- Lenders can expect to see a reduction in value acceptance (appraisal waiver) offers.
- The percentage of loans receiving value acceptance or value acceptance + property data offers will exceed the original value acceptance percentage for most lenders.

Exercising value acceptance + property data

A lender may only exercise value acceptance + property data when

- the final submission of the loan casefile to DU resulted in an eligibility message for value acceptance + property data,
- property data collection is submitted to the Property Data API prior to the note date,
- an appraisal is not obtained for the transaction, and
- the offer is not more than four months old on the date of the note and mortgage.

If the value acceptance + property data offer is lost due to changes in qualifying loan characteristics after the property data was obtained, in some cases it may be possible for the lender to submit the property data to an appraiser to perform a hybrid appraisal assignment. See *Selling Guide* B4-1.2-03, Hybrid Appraisals for specific requirements. Alternatively, the lender may obtain a desktop or traditional appraisal report as specified by DU.

¹ Fannie Mae analysis based on loan delivery data from January 2020 through December 2022 using \$500 as the average appraisal cost savings.

Representations and warranties

The following table describes the representations and warranties the lender must make (“Yes”) if they exercise a value acceptance (appraisal waiver), or value acceptance + property data offer. The table also identifies the representations and warranties the lender is not responsible for (“No”).

Representations and Warranties Related to...	Value and Marketability	Property description*	Property eligibility, including condition	Condition with a recent disaster
Value acceptance (appraisal waiver)	No	No	No	Yes
Value acceptance + property data	No	Yes	Yes**	Yes

* The lender remains responsible for the accuracy and completeness of all data that pertains to the property and project (if applicable) that is submitted to DU (other than the property value).

**Includes warranty that the property is safe, sound, and structurally secure.

Eligible Transactions for value acceptance + property data

DU Loan casefiles for eligible single-family one-unit properties including condominiums (attached and detached) will be considered for value acceptance + property data. See the *Selling Guide* for more information.

Property Data Collection

Property data collection consists of a visual observation of the interior and exterior areas of the subject property. Only a single visit to the property is required to complete this process. It must be performed by a trained and vetted property data collector and must adhere to Fannie Mae’s Property Data Standard (until its retirement April 1, 2024) or the Uniform Property Dataset beginning December 1, 2023. See the [Uniform Property Dataset](#) page for more information. Once the PDC is collected and passes through quality control checks, it must be submitted to Fannie Mae’s Property Data API.

Tech and Tools

Visit the [valuation modernization page](#) to get onboarding details and more information about using the technology and tools.

Property Data API

Fannie Mae has established a property data standard and API to collect data and images consistently. The process encourages the use of emerging technologies to capture property information, imagery, and floor plans.

Property Data API Review Tool (PDART)

Lenders and AMCs may use our PDC web viewer known as Property Data API Review Tool (PDART) to aid with their required review process. Users can easily view the submitted property data, photos, and floor plan, as well as messages to help identify any potential PDC issues.

Lender responsibilities

In transactions involving property data collection, the lender is responsible for

- ✔ verifying and having the ability to demonstrate that the data collectors are vetted through an annual background check, are professionally trained, and possess the essential knowledge to competently complete the property data collection,
- ✔ ensuring that the data collectors are trained to comply with fair lending laws and deliver accurate results unaffected by personal biases,
- ✔ compliance with the *Property Data Collector Independence Requirements*,
- ✔ selection of the property data collector (see *Selling Guide B4-1.4-11, Value Acceptance + Property Data*),
- ✔ successful submission of the data to Fannie Mae's Property Data API prior to the note date,
- ✔ continually evaluating the property data collector's work through their quality control process, and
- ✔ delivering the loan with Special Feature Code 774.

Flowchart for value acceptance + property data execution

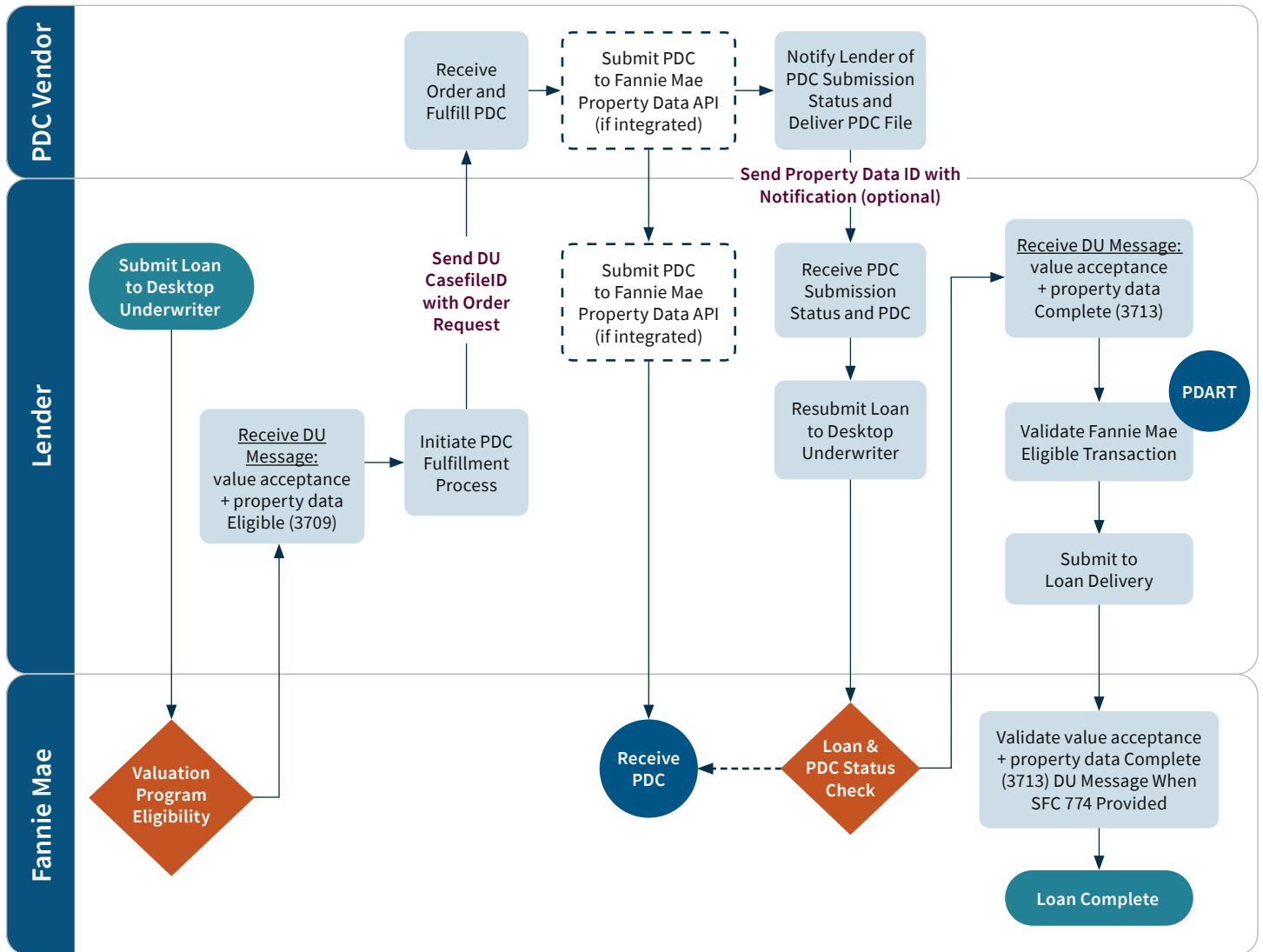
The chart on the following page illustrates an idealized operational flow for property data collection.

Notes:

- Fannie Mae does not prescribe a specific transaction fulfillment model. The lender should determine how best to execute the *Selling Guide* property data collection and API submission requirements.
- If the lender uses a service provider (TSP) to collect the property data, the lender must give the Desktop Underwriter casefile ID to the TSP.
- The Property Data API will return a unique property data ID for each property data collection submitted.
- When delivering the loan, the lender must include Special Feature Code 774.

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Value acceptance + property data



Frequently Asked Questions

Value acceptance + property data and value acceptance (appraisal waiver)

1 Why did the term “value acceptance” replace “appraisal waivers”?

Value acceptance better reflects the actual process which uses data and technology to accept the lender-provided value. (Note that we are using “value acceptance (appraisal waiver)” for a period of time and will move to “value acceptance” after the market absorbs this change.)

2 What is the difference in loan eligibility criteria between value acceptance (appraisal waiver) and value acceptance + property data?

Value acceptance + property data is offered when the loan application in Desktop Underwriter meets all requirements for value acceptance except that Fannie Mae needs more information about the subject property.

Note: Investment properties when rental income is used to qualify the borrower are not eligible for value acceptance + property data.

Service Providers

3 Can lenders place orders for property data collection with qualified property data collectors not listed on the Value Acceptance + Property Data Service Providers list?

Yes. Exercising a value acceptance + property data offer requires the submission of a property data collection to the Fannie Mae Property Data API. A lender may utilize any qualified property data collector that can deliver property data to the API as an integrator or using one of the API integration service providers on the [Value Acceptance + Property Data Service Providers](#) list.

Data Collector

4 How would property data collectors respond if the homeowner or point of contact requests a copy of the property data collection (pictures, floor plan, data, etc.)?

Property data collectors must refer these requests to the lender.

5 Does Fannie Mae have minimum standards for data collectors?

Yes, lenders must verify and be able to demonstrate data collectors are

- selected in accordance with Fannie Mae requirements, including the [Property Data Collector Independence Requirements](#),
- vetted through an annual background check,
- professionally trained, and
- they possess the essential knowledge to competently complete the property data collection.

See the Property Data Collector section of *Selling Guide B4-1.4-11, Value Acceptance + Property Data* for more information.

6 Can background checks for licensed appraisers and real estate agent be used for a data collector?

Each state has different requirements, and the lender will need to confirm the background checks are conducted annually and sufficient to vet the data collector.

7 Must a data collector be licensed?

A license is not required unless mandated by state or federal statute.

Frequently Asked Questions

8 Does Fannie Mae provide data collector training?
 Fannie Mae does not administer data collector training; training is typically administered by each service provider. Please see *Selling Guide* [Selling Guide B4-1.4-11, Value Acceptance + Property Data](#) for lender requirements.

12 If an offer is lost can it be restored?
 Yes, the offer can be restored if the resubmission to DU meets the value acceptance + property data requirements.

13 For value acceptance + property data, does DU identify whether a loan is a Texas Section 50(a)(6)?
 No. The lender is responsible for identifying whether a loan is a Texas Section 50(a)(6).

Property Data Collection

9 Is there a standardized dataset for property data collections?
 Yes. Fannie Mae and Freddie Mac have crafted an aligned data standard (Uniform Property Dataset (UPD) that will allow for fungibility of property data between the GSEs. Fannie Mae is retiring our proprietary data standard on April 1, 2024. Visit the [UPD page](#) for more information.

14 How should the lender address a repair item(s) involving safety, soundness, or structural integrity, C6 condition, Q6 quality, or significant items of incomplete construction or renovation noted in a property data collection?
 The lender may need to obtain a professionally prepared report from a qualified professional in the field of expertise. If the professionally prepared report determines the property meets the eligibility requirements, it should be documented in the loan file with supporting evidence and the loan processed and submitted. To verify completion of repairs, the lender must use the Borrower Attestation Letter (See Form 1004D and Completion Alternatives in *Selling Guide* [B4-1.2-05, Requirements for Verifying Completion and Postponed Improvements.](#))

10 Must the lender retain the property data obtained in the loan file?
 Yes, the lender is required to retain any documentation on which the loan is based. See *Selling Guide* [A2-4.1-01, Establishing Loan Files](#) for details.

15 How should a lender address minor conditions or deferred maintenance noted in the PDC?
 If the lender determines from the property data collection there is the **existence of minor conditions** or deferred maintenance that does not affect safety, soundness or structural integrity, and the property condition and quality are not determined by the lender to be C6 condition or Q6 quality, there is no significant incomplete construction/renovation, and it is an eligible property type, the loan can be processed and submitted without any further action.

Executing Value Acceptance + Property Data

11 Can a lender lose a value acceptance + property data offer?
 Yes. The offer may be lost if there is a change in qualifying loan characteristics or if an appraisal is obtained prior to closing the loan, however, this occurs very infrequently.

Frequently Asked Questions

- 16** Can lenders use the 1004D process to confirm repairs?
No, the 1004D is used for appraisals only.
- 17** Can lenders use the Freddie Mac PDR Completion Form?
No, Fannie Mae *Selling Guide* established requirements for documenting that repairs have been completed. See the Form 1004D and Completion Alternatives section of *Selling Guide* [B4-1.2-05, Requirements for Verifying Completion and Postponed Improvements](#).
- 18** Must the property data collection be obtained prior to the note date?
Yes. For certain loan casefiles, DU offers value acceptance + property data - an option that requires interior and exterior property data collection to verify property eligibility prior to the note date. To determine whether the property meets the eligibility requirements, the PDC must be completed, reviewed, and successfully submitted to the API prior to closing a loan.
- 19** What is the Property Data API Review Tool (PDART) and how does a lender gain access?
Fannie Mae created PDART to enable users to view the data and images submitted to our Property Data API. Users can assess the accuracy and completeness of the property data and identify potential property eligibility issues for underwriting, quality control, and vendor management purposes. Visit the [PDART page](#) for information on gaining access.

Hybrid Appraisal Option

- 20** When can a hybrid appraisal be used with a PDC?
If the value acceptance + property data offer is lost due to a change in qualifying loan characteristics after the property data collection has been delivered to the Fannie Mae Property Data API and the data confirmed that the property type is eligible, Fannie Mae will accept a hybrid appraisal informed by the PDC.
- 21** Can an appraiser perform a property data collection, and may the same appraiser perform a hybrid appraisal assignment on the same property?
Yes. An appraiser may perform the property data collection and complete the hybrid appraisal, but only as a separate and subsequent assignment.
- 22** Can detached condominium properties be appraised on the Uniform Residential Appraisal Report (Hybrid)?
No. The Individual Condominium Unit Appraisal Report (Hybrid) must be used for appraisals of one-unit (attached and detached) properties in condo projects that are based on interior and exterior property data collection.

Additional Information

Property Data Collection with Needed Repairs or Completion Verification

The lender must represent and warrant that the property

- does not have safety, soundness, or structural integrity issues;
- is not in C6 condition;
- is not Q6 quality;
- does not have significant items of incomplete construction or renovation; and
- meets Fannie Mae's property eligibility requirements (see *Selling Guide* [B2-3-01](#), [General Property Eligibility](#)).

To make these representations and warranties in the absence of an appraisal, the lender must examine the descriptive information and photo exhibits from the property data collection to determine whether the property meets all of the *Selling Guide* requirements. When the property data collection evidences any items failing eligibility requirements, the property must be repaired or completed prior to sale of the loan to Fannie Mae. Because there is no appraisal, the lender cannot use appraisal Form 1004D for verification of completion. Instead, the lender will need to obtain a borrower attestation letter.

The letter must include (at a minimum) the following:

- borrower name,
- property address,
- certification language that the alteration or repair was satisfactorily completed,
- date and signature(s) of the borrower(s),
- visually verifiable exhibits of the completed work, and
- one or more of the following
 - signature of the qualified professional,
 - a professionally prepared report, or
 - paid invoices for the alterations or repairs.

Note that two forms of verification are required – the visual exhibit together with at least one of the three third party exhibits listed at the end.

If virtual inspection technology is used to generate the visually verifiable exhibit, it must be unaltered and able to be authenticated using metadata and the geocode for the subject property.

When the lender, based on their review of the property data, is uncertain about the need for repairs, alterations, or completion, the lender may choose to begin by requiring a professional inspection targeting the feature in question (example: roof appears worn but unable to ascertain viability from photos, then obtain a roof inspect). Lender's review of a professionally prepared report may lead to a repair requirement or may resolve the issue (see *Selling Guide* [B4-1.4-11](#), [Value Acceptance + Property Data](#)).

Exercising 1004 Hybrid appraisal option

A hybrid appraisal is permitted only when all of these preconditions are met in this sequence:

- DU determines the loan is eligible for value acceptance + property data,
- lender obtains property data and submits it to our API,
- PDC confirms that the property type is single-family residential (excludes manufactured homes, condominiums, co-ops, 2+ units, and nonresidential), and finally,
- the loan loses eligibility in DU for value acceptance + property data due to a change in qualifying loan characteristics.

The lender must provide the property data collection to an appraiser to perform a hybrid appraisal assignment.

Desktop Underwriter messages **will not** indicate when a casefile is eligible for a 1004 Hybrid appraisal.

Completing the Form 1004 Hybrid

Property data collection and the appraisal report are separate assignments and may be performed by different people. If the appraiser does not perform the data collection, the lender must share the property data collection with the appraiser at the time of engagement. The appraiser will use the data along with other third-party sources to develop the appraisal. The effective date of the hybrid appraisal is the date on which the appraiser arrives at their opinion of value.

Note: *If the appraiser is engaged as a property data collector and at a later date engaged as an appraiser, this is still considered a hybrid appraisal.*

Exhibits: Form 1004 Hybrid requires the same exhibits as traditional appraisals with the inclusion of a floor plan (with interior walls) conforming to the ANSI standard.

Entry of Appraisal Assignment Type: The appraiser must provide the Appraisal Assignment Type and supporting details (located in the Additional Comments section of the appraisal report) as shown in the following table.

Field Labels	Required Entry
Appraisal Assignment Type	"Hybrid"
Subject Property Data Collection Method	"Physical"
Subject Property Data Collection Date	"YYYY-MM-DD"
Subject Property Data Workforce	"Appraiser" "AppraiserTrainee" "RealEstateAgent" "HomeInspector" "InsInspector" (Insurance Inspector) "Other"

Note: *For the Subject Property Data Collection Date, the appraiser must enter the date that the property data collection was performed. For the Subject Property Data Workforce, the appraiser must enter the Workforce indicated in the property data that is one of the six Required Entry enumerations listed above.*