



## Value Acceptance (Appraisal Waivers)

### Fact Sheet

Updated March 2023

Does every loan delivered to Fannie Mae require an appraisal? What if we have a recent appraisal on file? In some cases, we may be willing to waive the appraisal for certain transactions.

Value acceptance (appraisal waivers) are Fannie Mae's offer to accept the lender-submitted value (with no appraisal requirement) for eligible transactions. Value acceptance offers are issued through Desktop Underwriter® (DU®) using Fannie Mae's database of more than 61 million appraisal reports in combination with proprietary analytics from Collateral Underwriter® (CU®).

### How it works



**Value acceptance offers are available to all lenders through DU. There are no prerequisites and no registration process.**

When a DU loan casefile receives a value acceptance offer and it is exercised by the lender, Fannie Mae accepts the value estimate submitted by the lender as the market value for the subject property and provides relief from enforcement of representations and warranties on the value, condition, and marketability of the property. The lender is required to represent and warrant that the data (other than the value estimate) submitted to DU is complete and accurate, and lenders must order an appraisal if they have reason to believe that an appraisal is warranted based on additional information the lender has about the property or subsequent events.

This summary is intended for reference only. All criteria are subject to the formal terms and conditions of the Fannie Mae *Selling Guide*. In the event of any conflict with this document, the *Selling Guide* will govern.

**NOTE:** Effective with DU Version 10.1, Desktop Originator® (DO®) loan casefiles underwritten with Preliminary Findings are eligible for the value acceptance offer.

### Benefits of exercising a value acceptance offer

- **Increased operational efficiencies.** Value acceptance can shorten the loan origination process by eliminating the need to obtain and review an appraisal.
- **Day 1 Certainty®.** Exercising a value acceptance offer relieves the lender from enforcement of representations and warranties on the value, condition, and marketability of the property.
- **Reduced loan origination costs.** Value acceptance provides a no-cost alternative to an appraisal, while eliminating the expense of appraisal-related delays in the origination process.
- **Ease-of-use.** To exercise a value acceptance offer, lenders simply provide Special Feature Code (SFC) 801 at time of loan delivery to Fannie Mae.



## Eligible and ineligible transactions

Eligible Transactions	Ineligible Transactions
<ul style="list-style-type: none"><li>• One-unit properties, including condominiums</li><li>• Limited cash-out refinance transactions:<ul style="list-style-type: none"><li>○ Principal residences and second homes up to 90% LTV/CLTV</li><li>○ Investment properties up to 75% LTV/CLTV</li></ul></li><li>• Cash-out refinance transactions:<ul style="list-style-type: none"><li>○ Principal residences up to 70% LTV/CLTV</li><li>○ Second homes and investment properties up to 60% LTV/CLTV</li></ul></li><li>• Purchase transactions:<ul style="list-style-type: none"><li>○ Principal residences and second homes up to 80% LTV/CLTV</li></ul></li><li>• Loan casefiles that receive an Approve/Eligible recommendation</li><li>• Properties in high-needs rural locations, as identified by FHFA<ul style="list-style-type: none"><li>○ Principal residences up to 97% LTV/105% CLTV (for borrowers at or below AMI)</li><li>○ Contingent on mandatory property inspection</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Construction and construction-to-permanent loans</li><li>• Two- to four-unit properties</li><li>• Loan casefiles in which the value of the subject property provided to DU is \$1,000,000 or greater</li><li>• HomeStyle® mortgage products (Renovation and Energy)</li><li>• Texas 50(a)(6) loans</li><li>• Leasehold properties, community land trust homes, or properties with resale price restrictions</li><li>• Cooperative units and manufactured homes</li><li>• DU loan casefiles that receive an ineligible recommendation</li><li>• Loans for which the mortgage insurance provider requires an appraisal</li><li>• Loans for which rental income from the subject property is used to qualify</li><li>• When the lender has any reason to believe an appraisal is warranted</li><li>• A transaction using a gift of equity</li></ul>

## How to exercise a value acceptance offer

To exercise a value acceptance offer on a loan casefile that is eligible for value acceptance, the lender must, at time of delivery, include the Fannie Mae casefile ID and SFC 801 in the loan delivery file to receive representation and warranty relief. Additionally, the value acceptance offer may not be more than four months old on the date of the note and the mortgage.

If a lender chooses not to exercise the value acceptance offer, at a minimum, the lender is required to follow DU's appraisal recommendations to deliver the loan to Fannie Mae.

**NOTE:** DU will not offer value acceptance when an appraisal has been uploaded to the Uniform Collateral Data Portal® (UCDP®) within the prior 120 days from any lender.

## For more information

For more information, reach out to your account team or call 1-800-2FANNIE (1-800-232-6643), Option 1 (technology support).

Information is also available at <http://www.fanniemae.com/appraisalwaivers>