

# Closing Cost Appraisal Assistance in Puerto Rico, Guam, and the U.S. Virgin Islands

Fannie Mae will offer closing cost appraisal assistance on eligible loans in the U.S. territories of Guam, Puerto Rico, and the U.S. Virgin Islands. The closing cost appraisal assistance will reduce appraisal costs for eligible purchase money and refinance loans. In order to deliver these loans, lenders must execute a Special Requirement Agreement with Fannie Mae.

As of October 23, 2024, the lenders will not be charged any other Loan Level Price Adjustment (LLPA) on eligible loans under the LLPA Matrix, other than the LLPA for the Minimum Mortgage Insurance Coverage Option, if applicable.

## **Q1. What is the closing cost appraisal assistance?**

This closing cost appraisal assistance is for eligible loans on collateral properties in the U.S. territories of Guam, Puerto Rico, and the U.S. Virgin Islands. It will reduce appraisal costs for eligible purchase money and refinance loan deliveries.

## **Q2. What types of properties are eligible?**

One-unit properties, principal residences, second homes, and for investment properties COR and LCOR loans only are eligible.

## **Q3. What types of properties are ineligible?**

Two- to four-unit properties, units in a co-op project, manufactured homes, and for investment properties purchase loans are ineligible.

## **Q4. How will the appraisal assistance work?**

For loans with application dates on or after July 27, 2024, lenders will identify an eligible transaction, and credit the borrower with the territory specific appraisal assistance amount that should be disclosed on the Loan Estimate /Closing Disclosure consistent with the TILA-RESPA Integrated Disclosure (TRID).

Fannie Mae will reimburse the lender when the loan is delivered with the special feature code that will be identified in the Special Requirement.

Since the appraisal assistance amount is fixed and predetermined by territory, if it exceeds the borrower's appraisal cost, the balance must be credited by the lender toward the borrower's other closing costs.

**Q5. What are the appraisal assistance amounts?**

U.S. Territory	Appraisal Assistance
Puerto Rico	\$600
Guam	\$1,050
U.S. Virgin Islands	\$1,200

**Q6. What if the fixed appraisal assistance amount exceeds the cost of the appraisal?**  
The lender must apply any excess to the borrower's other closing costs.

**Q7. How will the lender receive the credit?**  
The lender must execute the Special Requirement prior to delivery.