

Property Data Collection: Fiction vs. Facts

Fannie Mae is on a journey of continuous improvement to make the home valuation process more efficient and accurate. We provide a spectrum of options to establish a property's market value, with valuation methods that match varying risks of the collateral and the loan transaction. The spectrum balances traditional appraisals with appraisal alternatives.

We offer alternatives for lenders who want to improve process efficiency, expedite their loan life cycle, and benefit from representation and warranty relief. Value acceptance + property data and hybrid appraisals are traditional appraisal alternatives that rely on property data collection (PDC) to establish a property's market value.

PDC is a technology-enabled process that uses data from vetted, third-party data collectors. Get the facts to understand what PDC is and what it's not.

Fiction: Property data collectors do the same job as appraisers.

Fact: Property data collectors and appraisers have two distinct roles.

- Property data collectors perform an objective, fact-based collection and reporting of data related to a property's physical attributes. They do not provide any opinion on value. They capture information about the property for the appraiser to develop an opinion of value.
- Appraisers develop and provide an opinion of value on a property using various sources, such as PDC information, comparable sales, local market conditions, and property amenities.

Fiction: Property data collectors and appraisers don't work together.

Fact: It depends on the nature of the valuation option. For hybrid appraisals, the appraiser incorporates the PDC information — submitted by the data collector — as an objective input into the appraisal process. This data is combined with the appraiser's independent research and analysis to form a final opinion on the collateral under review. If clarification is needed, the appraiser may request the property data collector's contact details from the lender to address any outstanding questions.

Fiction: Property data collectors receive no training and have no standards they must adhere to.

Fact: Property data collectors must undergo training, annual background checks, and extensive quality control measures. Furthermore, all property data collectors must follow the standards established by Fannie Mae in the [Property Data Collector Independence Requirements](#) to maintain integrity and avoid conflicts of interest.

Fiction: There is no governance around the type of data collected by property data collectors.

Fact: Data collection standards are outlined for the industry through the Uniform Property Dataset (UPD), which was designed by Fannie Mae and Freddie Mac. For each subject property, PDC includes observing and documenting approximately 120 standardized property attributes, capturing 40 – 60 photographs, and generating a floor plan that's compliant with ANSI® (American National Standards Institute®). The information is also verifiable, as data and images collected must be embedded with geocoding technology.

Fiction: No one is liable for inaccurate information provided in a PDC.

Fact: Property data collectors must certify that the information provided factually represents the property characteristics.

In a hybrid appraisal, the appraiser is not liable for the data collected in the same way they would not be liable for using typical third-party data as part of their assessment. The lender remains responsible for verifying the accuracy of the property description and completeness of the data.

Fiction: There is no data privacy or security governance in the PDC process.

Fact: When onboarding a PDC service provider, Fannie Mae has specific agreements that clearly state the data ownership and security protocols necessary for managing the data. Service providers have no ownership of the data collected. Requirements also exist around non-infringement, data security, data breach investigations, and reporting, to which they must adhere.

Fiction: Appraisers are not able to contact a property data collector if they have questions about the property data.

Fact: Appraisers may obtain a property data collector's contact information from the lender to address any outstanding questions.