



Uniform Appraisal Dataset (UAD) and Forms Redesign

Partner Playbook

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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.

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Table of Contents

3	Introduction
4	What is the UAD and Forms Redesign Initiative?
5	Why is the UAD Being Updated?
6-7	How Can This Initiative Help the Industry?
8	How Are the Appraisal Forms Changing?
9-13	Roadmaps (Appraisal Software Vendor, UCDP Direct Integration, Lender, Appraiser, AMC)
14-15	Ready to Build? Some Things to Consider...
16	Additional Resources
17	Training (Coming Soon)

Introduction

This playbook is designed to help industry partners prepare for and adopt the multi-year, joint government-sponsored enterprise (GSE) initiative to update the Uniform Appraisal Dataset (UAD) and retire the existing appraisal forms. It provides information about how industry partners can benefit from this initiative, timelines and roadmaps to keep you on track for building to or implementing the new UAD and redesigned Uniform Residential Appraisal Report (URAR), and additional resources to learn more along the way.

As we get closer to the implementation date, we'll provide links to training opportunities, so check back often to make sure you're on track.



What is the UAD and Forms Redesign Initiative?

As the name implies, this is an effort to update the UAD – the dataset behind appraisal forms submitted to Fannie Mae and Freddie Mac (the GSEs) – and align it with the current industry-standard [MISMO](#) Reference Model. It will also mean replacing all the existing GSE forms with a single flexible and dynamic report.

The GSEs are doing this work at the direction of the Federal Housing Finance Agency (FHFA) as part of the Uniform Mortgage Data Program® (UMDP®). This effort is guided by input and feedback from over 100 industry stakeholders through interviews, consultations, surveys, and virtual bulletin boards.

Appraisal Forms Being Replaced

Uniform Residential Appraisal Report (1004 / 70)

Individual Condominium Unit Appraisal Report (1073 / 465)

Exterior-Only Inspection Individual Condominium Appraisal Report (1075 / 465)

Exterior-Only Inspection Residential Appraisal Report (2055 / 2055)

Manufactured Home Appraisal Report (1004C / 708)

Small Residential Income Property Appraisal Report (1025 / 72)

Individual Cooperative Interest Appraisal Report (2090)

Exterior-Only Individual Cooperative Interest Appraisal Report (2095)

Appraisal Update and/or Completion Report (1004D / 442)

Single-Family Comparable Rent Schedule (1007 / 1000)

Uniform Residential Appraisal Report (Desktop) (1004 Desktop / 70D)

Uniform Residential Appraisal Report (Hybrid) (1004 Hybrid / 70H)

Why is the UAD Being Updated?

The dataset hasn't been updated since 2010. The updates we'll be making reflect changes in the appraisal industry, address future appraisal needs, and make it easier to keep up with ongoing digitization in the appraisal process and mortgage industry as a whole.

Additionally, appraisals are currently submitted to the GSEs using the no longer supported MISMO Reference Model 2.6. This update will allow us to upgrade to the latest MISMO Reference Model (3.6).



How Can This Initiative Help the Industry?

OVERALL BENEFITS



Expand scope of UAD to cover all property types.



Get better appraisal quality and compliance.



Create potential opportunities to reduce required capital reserves for lenders.



Reduce subjectivity to enhance impartiality through discrete data versus free-form text.



Identify Uniform Standards of Professional Appraisal Practice (USPAP) compliance points more easily.



Replace multiple appraisal forms with a single dynamic report.

How Can This Initiative Help the Industry?

1

One Dynamic Report

- ✓ Increase flexibility with a dynamic scope of work to cope with unforeseen challenges (e.g., COVID).
- ✓ Minimize lender review times with streamlined GSE scoring on all property types.
- ✓ Simplify documentation of atypical properties (e.g., 2-4 unit condos, site condos, etc.).
- ✓ Allow lenders and investors to easily address and adapt to industry-wide issues.

2

Data Standardization

- ✓ Introduce flexibility to facilitate future appraisal modernization projects.
- ✓ Increase lender productivity through machine-readable data that better identifies key risk indicators.
- ✓ Reduce repurchase risk with objective enumerations of property condition.

3

Improved Review Process

- ✓ Identify more risk indicators with more discrete data and less freeform text to more efficiently route internal reviews.
- ✓ Better clarify adverse items and their severity to preserve representation and warranty relief.
- ✓ Decrease staffing costs through a reduction in correction requests.
- ✓ Manage risk with clearer definitions of property types using specific characteristics to determine the risk profile.

How Are the Appraisal Forms Changing?

There are just too many appraisal forms, and they were all originally designed to be completed on typewriters. All current forms will be retired, and will be replaced by a single, data-driven, flexible and dynamic report that will be better organized and populated based on the property type and characteristics. It will be a report that provides clear-cut support for the appraiser's final value conclusion and will be more understandable for anyone reviewing it.

Some of the most exciting updates include:



Appraisal Software Vendor Roadmap

Spec Delivery

- ❑ UAD 3.6 spec delivered to industry.
- ❑ Familiarize yourself with MISMO 3.6 spec (visit [MISMO.org](https://www.mismo.org)).
- ❑ Check in with all partners to determine possible impacts.
- ❑ Start thinking about allocating resources you'll need to implement changes to your process.

Build to the Spec

- ❑ Start building as soon as possible.
- ❑ Make necessary system enhancements to support the UAD 3.6 spec.

Test and Verify

- ❑ Develop vendor-specific training to help AMCs/appraisers get familiar with your updated systems.
- ❑ Offer AMCs/appraisers access to your updated systems for testing.



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2023-2024



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UCDP Direct Integration Vendor Roadmap

Spec Delivery

- ❑ UAD 3.6 spec delivered to industry.
- ❑ Familiarize yourself with MISMO 3.6 spec (visit [MISMO.org](https://www.mismo.org)).
- ❑ Check in with all partners to determine possible impacts.
- ❑ Identify needed updates to systems and process for Uniform Collateral Data Portal® (UCDP®) submission.
- ❑ Start thinking about allocating resources you'll need to implement changes to your process.

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Build to the Spec & Updated UCDP DI Technical Integration Guide (TIG)

- ❑ Make necessary system enhancements to support a modernized UCDP direct integration.
- ❑ Implement any identified process changes or notify your lender partner of these needed changes to their processes.

2023-2024

Test and Verify

- ❑ Look for UCDP-specific training.
- ❑ Make sure you or your lender partners are able to submit the new dynamic report to UCDP.

2023-2024

Lender/Loan Origination System (LOS) Roadmap

Spec Delivery

- ❑ UAD 3.6 spec delivered to industry.
- ❑ Check in with all partners to determine possible impacts.
- ❑ Start thinking about allocating resources you'll need to implement changes to your process.

Test and Verify

- ❑ Make sure your software partners are aware of the new UAD specification and are building to it.
- ❑ Check in periodically to make sure software partners are on track for integrating and accepting the new UAD.
- ❑ Begin testing your software partners' products.

Prepare Your Staff

- ❑ Make sure your staff is familiar with the new URAR.
- ❑ Provide training materials and educational opportunities.
- ❑ Make sure any operational changes are made and working as intended.



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2023-2024



2024 and Beyond

Appraiser Roadmap

Keep an Eye Out for Training

- ❑ The GSEs will be developing training and appraiser-specific resources to help familiarize you with the new UAD and dynamic appraisal form.
- ❑ Check in periodically with GSE web sites and watch for communications.

Check in with Your Appraisal Software Vendor

- ❑ Make sure your vendor is aware of the new UAD and is building to it.
- ❑ Work with your vendor to identify any needed process changes.
- ❑ Look for vendor-specific training opportunities.

Test and Verify

- ❑ Test any updated systems for completing/submitted appraisal report.
- ❑ Make sure any operational changes are made and working as intended.



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Appraisal Management Company (AMC) Roadmap

Spec Delivery

- ❑ UAD 3.6 spec delivered to industry.
- ❑ Check in with all partners to determine possible impacts.
- ❑ Start thinking about allocating resources you'll need to implement changes to your process.

Prepare Your Appraisers

- ❑ Identify needed process changes and effectively communicate them.
- ❑ Develop training for your appraisers and staff around ordering and receiving.
- ❑ Leverage GSE and industry training on the new URAR while you train your appraisers on your own process updates.

Test and Verify

- ❑ Offer your appraisers opportunities to test any updated systems or changes to process.
- ❑ Make sure any operational changes are made and working as intended.



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2023-2024



2024

Ready to Build? Some Things to Consider

We strongly encourage all stakeholders and vendors to begin preparing and building to the spec now. The previous slides provide roadmaps to help you do just that. Here are some things to consider leading up to that point and who they impact:

Consideration		Appraisal Forms Vendors	Appraisers	AMCs	Lenders	UCDP Direct Integrators
1	Mapping new UAD 3.6 data (including data lineage)	X		X	X	
2	Plan and budget resources for 2023 development/updates to business process	X	X	X	X	X
3	Determine the need and ability to normalize data between two different UAD data sets (UAD 2.6 and 3.6)			X	X	
4	Understanding of MISMO 3.6 and the differences from 2.6	X				

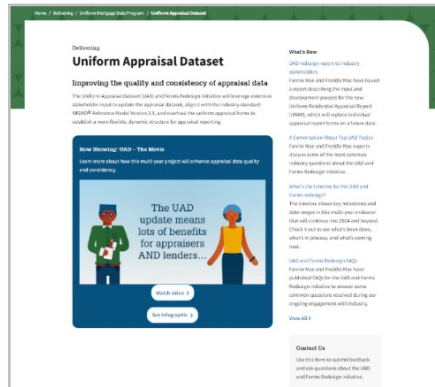
Ready to Build? Some Things to Consider (cont.)

Consideration		Appraisal Forms Vendors	Appraisers	AMCs	Lenders	UCDP Direct Integrators
5	Coordinate with all involved partners	X	X	X	X	X
6	Determine downstream impacts	X	X	X	X	X
7	Determine how to order and price appraisals without form numbers		X	X	X	
8	Update appraisal review process/procedures for UAD 3.6 data			X	X	
9	Interface with GSE UAD Compliance Rule API	X		X		
10	Conduct end-to-end testing of Appraisal Zip File (XML,PDF and Images)	X				
11	Determine LOS impacts				X	

Resources

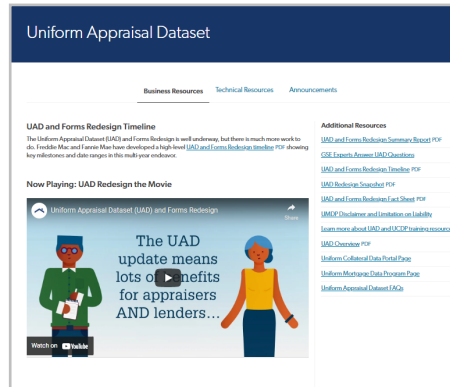
Fannie Mae

[Fannie Mae UAD Web Page](#)



Freddie Mac

[Freddie Mac UAD Web Page](#)



- ✓ UAD Overview
- ✓ UAD Video
- ✓ UAD FAQs
- ✓ GSE Experts Answer Your UAD Questions
- ✓ UAD and Forms Redesign Timeline
- ✓ UAD and Forms Redesign Summary Report

Training (Coming Soon)

We'll provide links to training opportunities as we get closer to the implementation date.

Check back later for updates.

