

# **CHEVY CHASE BANK**

Wholesale Lending Division

## **APPRAISAL UPDATES**

When the effective date (“AS OF” date) of an appraisal will exceed 120 days as of the date of the note and mortgage (closing), an update to the appraisal is required. When the effective date of an appraisal will exceed 12 months as of the date of the note and mortgage (closing), a new appraisal is required.

*USPAP defines an update of an appraisal as a NEW VALUATION ASSIGNMENT. As a new assignment the update of an appraisal changes the effective date of the value opinion. It is important to note that as an update changes the effective date of the opinion of value any comparable sales that will exceed 12 months as of the new effective date of the value opinion must be replaced with more recent comparables (i.e. comps which settled within 12 months of the new effective date). The additional comparables must be entered on a sales comparison grid, located on a map, and have pictures.*

Following are CCFSB’s minimal acceptable standards and requirements for an Update:

- The update must be reported under Reporting Requirement 2 as found in the USPAP 2003 AO-3 (page 130, Line 62). That is, the *update must incorporate by attachment the original appraisal report.*
- A statement and summary of the market date considered since the effective date of the original appraisal. Provide more recent comps for comps that settled over 12 months prior to the new effective date. (USPAP, Fannie Mae)
- An exterior inspection of the subject and a statement of any observable changes in the property that may affect value. New photos of the subject are required. (USPAP, Fannie Mae)
- An exterior inspection of any new or additional comparables. Photos of the new or additional comparables. (USPAP, Fannie Mae)
- *Statement of current value of opinion and identification of the new effective date* (USPAP). This applies whether or not the opinion of value has changed.
- A current Appraiser’s Certification with new effective and signature dates (USPAP).

*\*\*It is important to note that some parties are still utilizing the term “Recertification of Value”. A Recertification of Value applies only to appraisals that were completed “Subject To” and is used to confirm whether or not the conditions of the appraisal have been met.*

*\*\*A 2055 may be used as an appraisal update.*

*\*\* Some appraisal software companies have created forms. Please verify all the above criteria has been met.*

*References: USPAP 2002 – Statement on Appraisal Standards 7, AO-3, AO-10  
Fannie Mae AllRegs, VII,201*