

Logging an Appraisal

The **Appraisal Logging** function on the FHA Connection (FHAC) allows a lender to log, add, change, or review appraisal information in HUD's origination system for nonendorsed cases prior to insurance processing. **Appraisal Logging** is required for most cases except streamline refinance cases that do not require an appraisal and some non-203(k) REO cases. If the case requires an appraisal, **Appraisal Logging** must be processed before submitting the insurance application. After a case is endorsed for insurance, appraisal information can only be viewed.

FHA Connection
 Home Main Menu ID Maintenance E-mail Us Contact Us

Single Family FHA Single Family Origination > Case Processing > Appraisal Logging

Appraisal Logging Update Help Links ? Other Functions

FHA Case Number: 105-1234567

*** Property Information ***

Address: 1234 PEACH ORCHARD ST STONE MOUNTAIN GA 300830000

Construction Code: Existing Construction PUD: Yes No

Year Built: /1999 Effective Age:

Appraisal Received Date: Date of Contract: Contract Price:

*** Neighborhood Fields ***

Location: Select Location Predominant Neighborhood Price:

%Land Use: One-Unit: 2-4 Unit: Multi-Family: Commercial:

*** Site Fields ***

Site Area: Sq Ft: Acres:

Type: Select Type Manufactured Housing: Yes No ?

*** Physical Characteristic Fields ***

Foundation: Rooms: Bedrooms: Baths:

Living Area: Central Air: Yes No Car Storage: Select Car Storage

*** Property Title Information ***

Estate Will be Held in: Leasehold Expiration Date:

Select Estate Will be Held in

*** Prior Sale Information ***

Was prior sale/transfer of this property within the past 3 years? Prior Sale/Transfer Rqrd

Date of Prior Sale/Transfer: Price of Prior Sale/Transfer:

*** Reconciliation Fields ***

Appraised Value:

Actual Appraiser (State Certificate or License No.): Effective Date of Appraisal:

ID: Name:

Send Reset New Request

Figure 1: Appraisal Logging Update Page

For all appraisals of properties that are to be security for FHA-insured mortgages, and which are performed on or after January 1, 2006, the appraisal must be reported on one of the Fannie Mae appraisal reporting forms listed below *as per property type*.

1. **Uniform Residential Appraisal Report** (Fannie Mae Form 1004 March 2005): Required for a one-unit single family dwelling.
2. **Manufactured Home Appraisal Report** (Fannie Mae Form 1004C March 2005): Required for a manufactured home.
3. **Individual Condominium Unit Appraisal Report** (Fannie Mae Form 1073 March 2005): Required for an individual condominium unit.
4. **Small Residential Income Property Appraisal Report** (Fannie Mae Form 1025 March 2005): Required for a two- to four-unit single family dwelling.

Resources that can be used to complete any of the above forms are described in the section **Assistance for Completing the FHAC Appraisal Logging Form**.

Note: For case numbers issued beginning January 1, 2010, if a case is transferred from one FHA-approved lender to another, a second appraisal may be ordered by the new lender under certain conditions. Click [Second Appraisal](#) at the bottom of the page to enter the second appraisal as needed. See *HUD Mortgage Letter 2009-29, Appraisal Portability* for additional information if needed.

Illustrations showing the location of the FHAC Appraisal Logging fields on the URAR for a one-unit single family dwelling are provided in the section **Locating Appraisal Logging Information on an Appraisal Report**.

Assistance for Completing the FHAC Appraisal Logging Form

Assistance in completing the form is available by using any combination of the detailed resources listed below:

1. Click [Help Links](#) in the upper right of the Appraisal Logging Update page. Select from the Help menu options for detailed information. Especially useful in completing the Appraisal Logging form online will be:
 - **Steps for Processing** which explain how to enter information from the appraisal reporting form
 - **Field Descriptions** which describe each field and its contents.

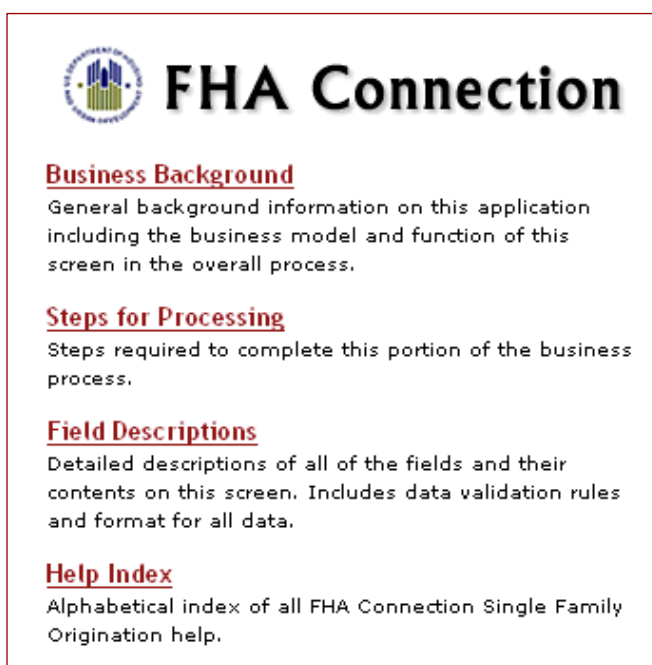


Figure 2: FHA Connection Help pop-up menu

2. HUD Mortgagee Letters 2005-34, Adoption of Revised Appraisal Reporting Forms and Update to FHA Appraisal Protocol or HUD Mortgagee Letter 2009-29, Appraisal Portability available at:
 - select Mortgagee Letters in the footer on FHA Connection pages (before or after sign on) (**Figure 3**) and follow the links to the specific letter, or,
 - in the **FHA Connection Resources** section following sign on to the FHA Connection (**Figure 4**).



Figure 3: Link to Mortgagee Letters in FHA Connection footer

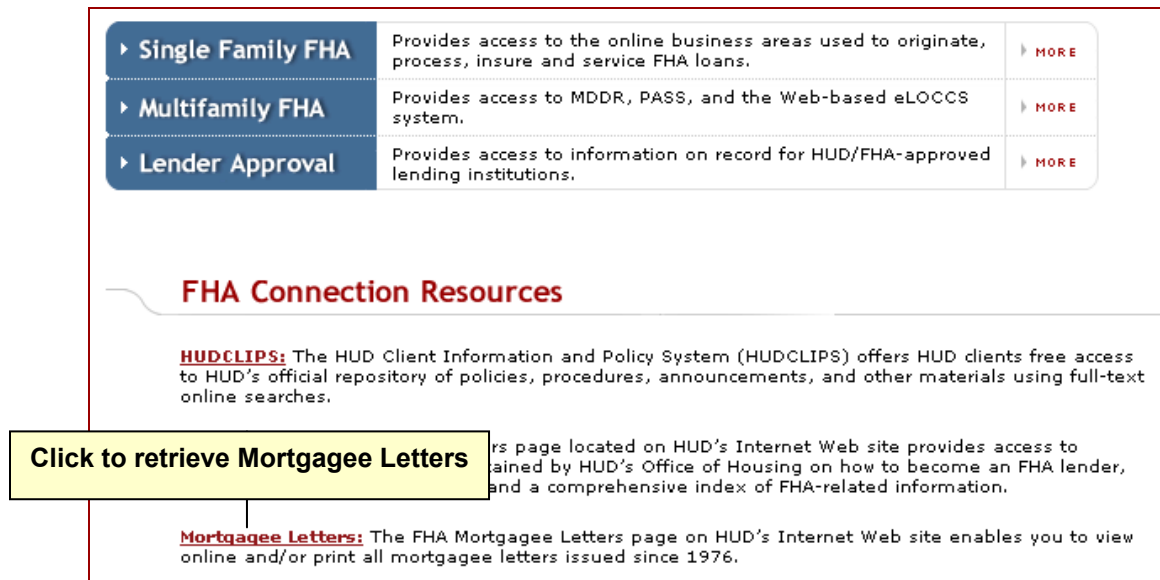


Figure 4: FHA Connection Resources link to Mortgagee Letters

3. Appendix D of Handbook 4150.2, CHG-1, Valuation Analysis for Home Mortgage Insurance for Single Family One- to Four-Unit Dwellings, effective for all appraisals performed on or after January 1, 2006. Appendix D is attached to ML 2005-34 and is also available online at the following: <http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/files/41502xd.doc>.

Locating Appraisal Logging Information on an Appraisal Report

For each section of the FHA Connection Appraisal Logging page, the location of corresponding URAR fields is illustrated below. In this example, the Uniform Residential Appraisal Report (Fannie Mae Form 1004) for one-unit single family dwellings is shown; the same information is collected on any of the four available Appraisal Report forms.

Property Information

Information relevant to the property can be found in the **Subject** section of the Appraisal Report except for **Year Built**, **Construction Code**, and **Effective Age** (see the **Physical Characteristics Fields** section below for these fields). Contract information is located in the **Contract** section of the Appraisal Report.

The image shows a portion of the 'SUBJECT' section of an appraisal report. A yellow box labeled 'Address' has arrows pointing to the 'Property Address' and 'City' fields. Another yellow box labeled 'Property Title' has an arrow pointing to the 'Legal Description' field. A third yellow box labeled 'PUD' has an arrow pointing to the 'PUD' checkbox in the 'Special Assessments \$' field.

Figure 5: Subject section of the Appraisal Report

The image shows a portion of the 'CONTRACT' section of an appraisal report. A yellow box labeled 'Contract Price' has an arrow pointing to the 'Contract Price \$' field. Another yellow box labeled 'Date of Contract' has an arrow pointing to the 'Date of Contract' field.

Figure 6: Contract section of the Appraisal Report

Neighborhood Fields

Information related to the Neighborhood fields is located in the **Neighborhood** section of the Appraisal Report.

The image shows the 'NEIGHBORHOOD' section of an appraisal report. A yellow box labeled 'Location' has an arrow pointing to the 'Location' checkbox in the 'Neighborhood Characteristics' table. Another yellow box labeled 'Predominant Neighborhood Price' has an arrow pointing to the 'PRICE' column in the 'One-Unit Housing' table. A third yellow box labeled '% Land Use' has an arrow pointing to the 'Present Land Use %' column in the same table.

and the racial composition of the neighborhood are not appraisal factors.										
Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use %
Location	<input type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit
Built-Up	<input type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit
Growth	<input type="checkbox"/> Rapid	<input type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	Low		Multi-Family
Neighborhood Boundaries							High			Commercial
Neighborhood Description							Pred.			Other
Market Conditions (including support for the above conclusions)										

Figure 7: Neighborhood section of the Appraisal Report

Site Fields

Site Area can be found in the **Site** section of the Appraisal Report. **Type** is found in the **Improvements** section of the Appraisal Report (see the **Physical Characteristics Fields** section below). The **Manufactured Housing** indicator is determined based on the Appraisal Report form completed for the property (i.e., Fannie Mae form 1004, 1004C, 1073, or 1025).

Dimensions	Area	Shape
Specific Zoning Classification	Zoning Description	
Zoning Compliance	<input type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (see	
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the		
Utilities	Public	Other (describe)
Electricity	<input type="checkbox"/>	<input type="checkbox"/>
Water	<input type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>	<input type="checkbox"/>
Sanitary Sewer	<input type="checkbox"/>	<input type="checkbox"/>
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input type="checkbox"/> No	FEMA Flood Zone FEMA Map #
Are the utilities and off-site improvements typical for the market area? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe		
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions)		

Site Area: Sq Ft or Acres

Figure 8: Site section of the Appraisal Report

Physical Characteristics Fields

Information related to the Physical Characteristics fields is located in the **Improvements** section of the Appraisal Reports.

	General Description	Foundation	Exterior Description	materials/condition	Interior	materials/cond
Type	Units <input type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls		Floors	
	# of Stories	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls		Walls	
Year Built	Type <input type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det/End Unit	Basement Area sq. ft.	Roof Surface		Trim/Finish	Car Storage
	<input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish %	Gutters & Downspouts		Bath Floor	
Effective Age	Design (Style)	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type		Bath Wainscot	
	Year Built	Infestation	Storm Sash/Insulated		Car Storage <input type="checkbox"/> None	
Construction Code	Effective Age (Yrs)	Settlement	Screens		Driveway # of Cars	
	Attic <input type="checkbox"/> None	<input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) #	Driveway Surface	
Central Air	<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel	<input type="checkbox"/> Fireplace(s) #	<input type="checkbox"/> Fence	<input type="checkbox"/> Garage # of Cars	
	<input type="checkbox"/> Floor	Cooling <input type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Patio/Deck	<input type="checkbox"/> Porch	<input type="checkbox"/> Carport # of Cars	
Rooms	<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool	<input type="checkbox"/> Other	<input type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Bu	
	Appliances <input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)					
Bedrooms	Finished area above grade contains:	Rooms	Bedrooms	Bath(s)	Square Feet of Gross Living Area Above Grade	
	Additional features (special energy efficient items, etc.)					
Baths	Describe the color of the interior walls including					
Living Area						
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe						

Figure 9: Improvements section of the Appraisal Report

Prior Sale Information

Prior Sale information can be found in the **Sales Comparison Approach** section of the Appraisal Report. Prior Sale Information is not required for refinance, HUD Real Estate Owned (REO), or with construction types of *proposed* or *under construction*. Prior Sale Information is also not required for HUD processed cases. If the property was sold more than once within a three-year period, enter the date of the last sale.

Figure 10: Sales Comparison Approach section of the Appraisal Report

Reconciliation Fields

The required Reconciliation information can be found at the end of the Appraisal Report.

Figure 11: Last page of the Appraisal Report

Notes

The appraiser must: hold a state certification; not be listed on the GSA Suspension and Debarment List, HUD's Limited Denial of Participation (LDP) List, or HUD's Credit Alert Interactive Voice Response System (CAIVRS); undergo HUD quality control reviews; and meet minimum Appraiser Qualification Board (AQB) requirements.

- For case numbers assigned on or after May 21, 2010, the effective date of a property appraisal cannot be prior to when the FHA case number was assigned unless it meets one of the Certify conditions. In this circumstance, an earlier **Effective Date of Appraisal** prompts a **User Confirmation** statement (**Figure 12**) to display at the bottom of the Appraisal Logging page. This statement must be read and verified by selecting the checkbox before case processing can continue.

*** User Certification ***

The effective date of the appraisal cannot be earlier than the FHA Case Number Assignment Date unless it was ordered to support conventional financing, HUD REO, or government guaranteed loan purposes (USDA, VA) that subsequently went FHA. By clicking this check box, you certify that the date of the appraisal precedes the FHA Case Number Assignment Date because it was ordered to support conventional financing, HUD REO, or government guaranteed loan purposes (USDA, VA) that subsequently went FHA.

Certify Effective Date

Figure 12: User Confirmation statement on the Appraisal Logging Update page

Second Appraisals

A second appraisal should be recorded using **Appraisal Logging** in the following circumstances:

- 91-180 day property flipping rule applies to the case.
- Property is located in a designated area, is resold within 91-365 days after acquisition, and the new sales price meets or exceeds the resale price percentage threshold. The threshold is based on the property's zip code.
- Case was transferred to another lender and due to a portability issue, the new lender ordered a second appraisal (*HUD Mortgagee Letter 2009-29, Appraisal Portability*).
- Expiration of the appraisal validity period (*HUD Mortgagee Letter 2010-13, Appraisal Update and/or Completion Report (Fannie Mae Form 1004D/Freddie Mac Form 442/March 2005)*).

A second appraisal is *optional* in the following circumstances:

- Cases assigned on or after February 15, 2010. If the case is not subject to property flipping rules, then the *optional* second appraisal is always used for case processing; otherwise, the system determines which appraisal is used in case processing.
- 90-day property flipping rule for a case with a sales date on or after February 1, 2010 and a prior sales date within 90 days. If a second appraisal is performed, the Appraisal Report is placed in the case binder and is *not* recorded via **Appraisal Logging**.