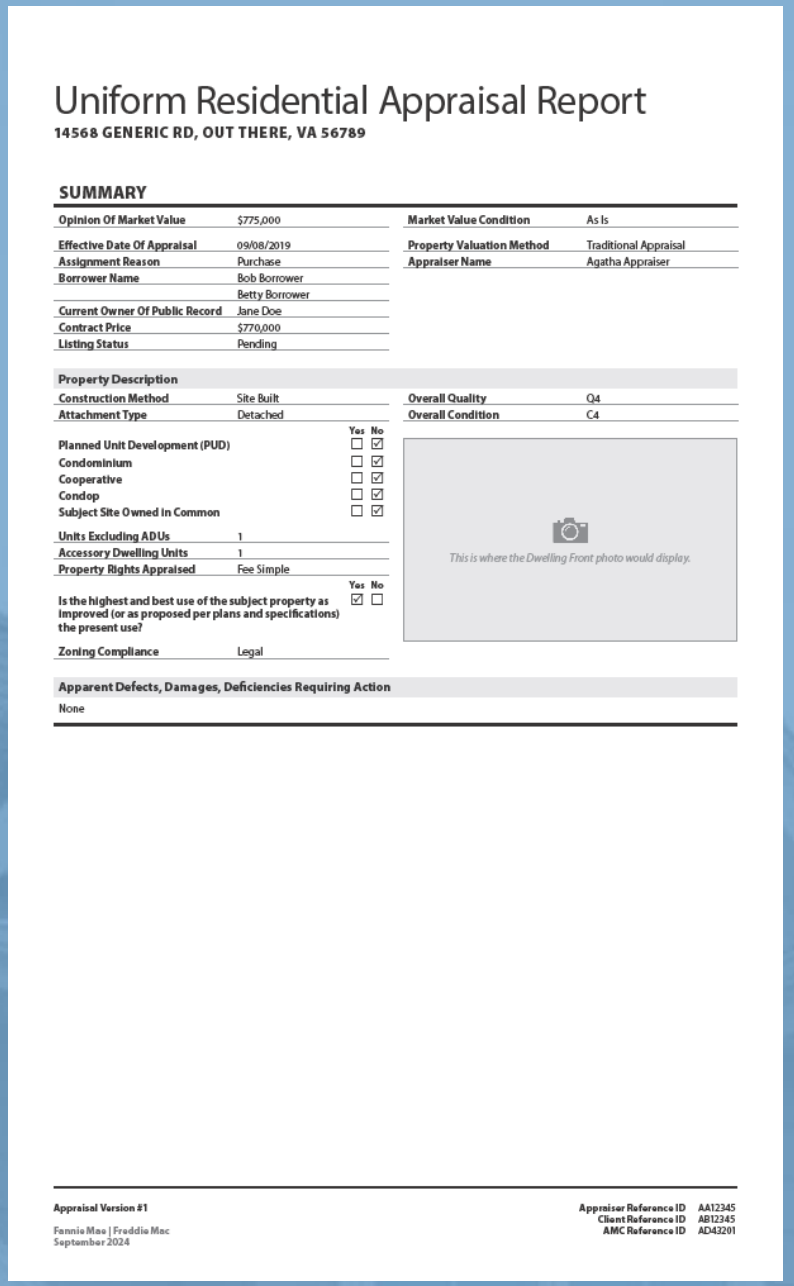
Johns Creek MORTGAGE | JCM UNIVERSITY

GREC Approved School #8285

Understanding the New Appraisal:

UAD 3.6 and the Appraisal Process

- Class #78291
- 3-Hour CE Course for Georgia Real Estate Licensees and Brokers



Uniform Residential Appraisal Report

14568 GENERIC RD, OUT THERE, VA 56789

SUMMARY

Opinion Of Market Value	$775,000	Market Value Condition	As Is
Effective Date Of Appraisal	09/08/2019	Property Valuation Method	Traditional Appraisal
Assignment Reason	Purchase	Appraiser Name	Agatha Appraiser
Borrower Name	Bob Borrower		
	Betty Borrower		
Current Owner Of Public Record	Jane Doe		
Contract Price	$770,000		
Listing Status	Pending		

Property Description

Construction Method	Site Built	Overall Quality	Q4
Attachment Type	Detached	Overall Condition	C4

	Yes	No
Planned Unit Development (PUD)	☐	☑
Condominium	☐	☑
Cooperative	☐	☑
Condop	☐	☑
Subject Site Owned in Common	☐	☑

This is where the Dwelling Front photo would display.

Units Excluding ADUs	1
Accessory Dwelling Units	1
Property Rights Appraised	Fee Simple

	Yes	No
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?	☑	☐

Zoning Compliance	Legal

Apparent Defects, Damages, Deficiencies Requiring Action

None

Appraisal Version #1

Fannie Mae | Freddie Mac
September 2024

Appraiser Reference ID	AA12345
Client Reference ID	AB12345
AMC Reference ID	AD43201

STUDENT NOTICE

Live Online Continuing Education Classes

ATTENDANCE AND CE CREDIT

Johns Creek MORTGAGE | JCM UNIVERSITY

GREC Approved School #8285

TO RECEIVE CE CREDIT, COMPLETE ALL SIX REQUIREMENTS

Full attendance + active participation

01

IDENTIFY YOURSELF

Before class begins, display your full name and real estate license number in the online meeting.

02

PARTICIPATE FULLY

There is no exam or homework. CE credit requires full attendance and participation in class activities.

03

ARRIVE ON TIME

Be present for the entire session. Late arrivals may stay for information but will not receive CE credit.

04

KEEP CAMERA ON

Your face must remain visible throughout class, except during official breaks.

05

CHOOSE A QUIET LOCATION

Attend where you can participate without distractions. Driving during class is not permitted.

06

SUBMIT THE EVALUATION

Complete and submit the Course Evaluation as directed by the school.

IMPORTANT **There is no makeup for this class. You may not receive CE credit for a course taken within the previous year.**

STUDENT NOTICE

Live Online Continuing Education Classes

CLASSROOM EXPECTATIONS

Johns Creek MORTGAGE | JCM UNIVERSITY

GREC Approved School #8285

Respectful, focused + compliant

ONLINE PARTICIPATION AND CONDUCT

Silence electronic notifications and set aside personal business. Devices may be used to attend class and complete course activities. Other device use is prohibited. Follow the instructor's directions for online participation. Arrange for children and pets to remain outside your class area and prevent interruptions. Weapons must not be displayed in the online classroom.

JCM University records online classes for audit purposes only. Recordings will not be distributed. AI notetakers, transcription bots and similar automated tools are not permitted in class.

Failure to follow attendance or conduct requirements, including inattentive or disruptive behavior, may result in removal from class without CE credit.

EQUAL OPPORTUNITY

JCM University will not engage in or tolerate discrimination toward students or staff based on race, color, sex, religion, national origin, familial status, disability or sexual orientation. Courses are open to all real estate licensees regardless of school or brokerage affiliation.

NO RECRUITING

No recruiting for employment opportunities for any real estate brokerage firm is allowed in this class or on the school premises. Report promptly any effort to recruit on behalf of a brokerage firm by anyone, including a fellow student, to School Director Brian Norton at 678-631-6180 or the Georgia Real Estate Commission.

For this live online class, the prohibition also applies to class chat and private messages to attendees. Recruiting for a real estate school is also prohibited.

IMPORTANT **Failure to follow attendance or conduct requirements may result in removal from class without CE credit.**

WELCOME

What you will be able to do

THREE PRACTICAL OUTCOMES FOR REAL ESTATE PROFESSIONALS

Johns Creek MORTGAGE | JCM UNIVERSITY

GREC Approved School #8285

BY THE END OF THIS COURSE

Understand the process • spot issues • respond appropriately

01

EXPLAIN THE ROLES

Understand each party's role and the communication boundaries that protect appraisal independence.

02

RECOGNIZE ISSUES

Identify concerns in a UAD 3.6 report and connect them to the residential transaction.

03

CHOOSE THE RESPONSE

Select an appropriate agent response and know when to involve the broker or lender.

Keep a real transaction in mind as we work through the examples.

Course route

THREE CONNECTED MODULES FROM APPRAISAL BASICS TO PRACTICAL DECISIONS

Johns Creek MORTGAGE | JCM UNIVERSITY

GREC Approved School #8285

TODAY'S LEARNING PATH

165 minutes instruction + 15-minute break

01 FOUNDATION

APPRAISAL FUNDAMENTALS

Roles, communication boundaries and how value is developed.

02 REPORT REVIEW

UAD 3.6 + SAMPLE URAR

A guided 45-minute review of the updated report structure and key fields.

03 APPLICATION

VALUATION + CASES

Valuation paths, problem solving and four transaction scenarios.

3 HOURS TOTAL

Build the foundation, read the report, then practice the response.

What an appraisal answers

A structured assignment produces an independent, explained opinion—not a guaranteed sale price.

ASSIGNMENT

Property rights, value premise and effective date

ANALYSIS

Subject and market data support the conclusion

INDEPENDENT OPINION OF VALUE

REPORT

Scope, data, reasoning and final conclusion

LENDER REVIEW

Collateral and program requirements are evaluated

Market value and contract price

The numbers may be compared—but they answer different questions.

CONTRACT PRICE

$770,000

What the parties negotiated and agreed to pay

Negotiation, terms and competition

APPRAISED VALUE

OPINION

Value under the report's definition and effective date

Property and market analysis

IF VALUE IS LOWER — **Financing, cash to close or contract negotiations may change.**



Who does what

Clear roles protect independence and keep the transaction moving.

LENDER

Orders, reviews and decides loan eligibility

DATA COLLECTOR

Records property facts for an eligible pathway

APPRAISER
Develops + signs the value opinion

AMC — WHEN USED

Administers ordering and communication controls

AGENT + BROKER

Verify facts, guide contract choices and document communication

The lender owns the workflow; the appraiser owns the opinion.

From appraisal order to delivery

A process map—not a promise of a fixed turnaround.

01

ORDER

Lender uses an approved appraisal channel

02

ANALYZE

Appraiser gathers property and market data

03

REPORT

Analysis and conclusions are documented

04

REVIEW

Lender evaluates conditions or questions

05

DELIVER

Borrower receives a copy as required

AGENT'S ROLE **Coordinate access and contract timing—without directing the opinion.**

Appraisal ≠ home inspection

Both may observe the property, but they serve different decisions.

A

APPRAISAL

Supports the lender's collateral review and may note visible issues

Does not identify every possible defect

I

HOME INSPECTION

Separate assessment supporting the buyer's due diligence

Focuses on property condition and systems

WHEN REPAIRS APPEAR

Coordinate promptly with the lender, client and broker.

Protect independence. Communicate facts.

The lender’s authorized channel controls selection and ordering.

1. Share property and market facts through the approved channel.
2. Never pressure, threaten or demand a target value.
3. Ask where and when information should be submitted for that file.

The standard: factual • file-specific • neutral

Communication supports the process—not a predetermined result.



Useful information is factual, sourced and relevant

Four types of information can help the appraisal process without advocating for a number.

1

PROPERTY FACTS

Permits, plans, acreage, improvements and known features

2

MARKET SUPPORT

Closed sales with dates, sources and relevant differences

3

TRANSACTION FACTS

Contract, amendments and concessions when requested

4

NEUTRAL LANGUAGE

“Please review this information” — not “We need this value”

SEND THROUGH THE LENDER’S APPROVED CHANNEL

Best practice: include the source, the date and why the fact is relevant to the property.

Bring in the broker before communication creates risk

Escalate when the issue changes the transaction, challenges the report or may be perceived as pressure.

TRIGGER	BROKER REVIEW
1 Challenge, second appraisal or contract change	**Confirm the facts**
2 Material report error or contingency deadline	**Choose the approved channel**
3 Condition, access or repair dispute	**Remove value demands or threats**
4 **Message may pressure the appraiser**	**Protect the file and the client**

WHEN IN DOUBT: PAUSE → REVIEW → SEND

Value starts with the subject – and its competitive market

Define what is being appraised before selecting evidence.

1

Define the property

Confirm the rights and physical characteristics.

2

Identify likely buyers

Find properties that compete for those buyers.

SUBJECT PROPERTY

Rights • site • dwelling

Improvements • condition

Effective date

3

Read market activity

Use evidence relevant to the effective date.

4

Explain market reaction

Unusual features need evidence—not just labels.

The subject defines the question; the market provides the evidence.

The best comparable competes like the subject

Distance alone does not determine comparability.

1

Buyer appeal

Start with properties likely buyers would also consider.

2

Physical utility

Compare location, site, size, age, design, condition and amenities.

3

Transaction terms

Review sale date, financing, concessions and property rights.

A farther sale with similar utility may be more comparable than a nearby sale.



Comparable selection follows market behavior—not a fixed radius or age rule.

Adjustments translate market differences into subject terms

Analyze the market difference first—then apply direction and amount.

COMPARABLE → **MARKET-SUPPORTED DIFFERENCE** → **SUBJECT TERMS**

DIRECTION

Comp is superior	DOWNWARD ADJUSTMENT
Comp is inferior	UPWARD ADJUSTMENT

Concessions are analyzed for their effect on sale price—not automatically adjusted dollar-for-dollar.

Final value comes from reconciliation, not a simple average.

A simple adjustment shows direction—not a formula for value

Hypothetical training example; the amount is not a recommended adjustment.

COMPARABLE SALE		SUPPORTED DIFFERENCE		ADJUSTED INDICATION
$505,000	MINUS	**$15,000**	EQUALS	**$490,000**
closed price		superior feature		for this comparison

What this number means

One adjusted indication to weigh with other evidence.

What it does not mean

An automatic conclusion or simple averaging instruction.

Reconciliation weighs reliability—not just adjusted prices

The strongest evidence earns the most weight in the final opinion.

Comparable 1 • strongest match

Comparable 2 • reliable support

Comparable 3 • secondary support

EVIDENCE IS WEIGHED

FINAL OPINION

Supported by

data + narrative

Similarity • reliability • explanation

Review whether major adjustments, unusual features and weighting decisions are explained.

The report is changing to make property data clearer

Static forms are giving way to a dynamic Uniform Residential Appraisal Report.

1. **Consistent fields** — More information is captured in defined, comparable fields.
2. **Relevant sections** — The report presents sections that fit the specific assignment.
3. **Clearer detail** — Property facts and appraisal data are easier to locate and review.

New structure. Same independent appraisal judgment.



A dynamic report adapts to the property and assignment.

UAD 3.6 changes the report structure—not who develops value

Defined fields improve consistency while narrative continues to explain judgment.

LEGACY APPROACH

Separate form numbers

Static layouts by property type

Information spread across form sections

→

UAD 3.6

One dynamic URAR

Related site, dwelling, market and value data grouped together

Sections appear based on the assignment

CONSTANT: the appraiser develops and reconciles the opinion of value.

A dynamic report expands to fit the assignment

Property type and complexity determine which sections appear—and how much detail is needed.

CORE REPORT	**Assignment • site • dwelling • market • value**
PROPERTY TYPE	**Determines relevant sections**
STANDALONE ADU	**Adds outbuilding and unit details**
PHOTOS + NARRATIVE	**Appear beside the related topic**

REPORT LENGTH

VARIES

with property and assignment complexity

The report is assembled around the appraisal—not forced into one static form.

Area is reported in defined categories – not one catch-all number

Read the actual report fields before comparing a listing's square-footage figure.

FINISHED ABOVE-GRADE
Reported as its own area type

FINISHED BELOW-GRADE
Separated from above-grade area

OTHER AREA TYPES
Defined according to report fields

1 SKETCH + AREA BREAKDOWN
Shows how the appraiser measured the dwelling.

2 SALES COMPARISON GRID
Carries the same area distinctions for subject and comparables.

3 FACTUAL CHECK
Compare like fields before questioning a square-footage difference.

Category first. Comparison second.

Implementation depends on the file and the lender’s path

Confirm the required report before the appraisal is ordered.

NOV. 2, 2026

UAD 3.6 mandate

THROUGH MAY 19, 2027

Approved lender exceptions may allow new UAD 2.6 submissions

FOR EACH FILE

Ask the lender or investor which report applies.

Do not assume the same report applies to every transaction.



Implementation timing can vary by approved lender or investor exception.

Read the new report in a factual sequence

Start with what the report says before drawing a conclusion about value.

1

OPENING SUMMARY

Value, method, effective date and property basics

2

ASSIGNMENT INFO

Inspection scope and any data report used

3

TOPIC SECTIONS

Site, dwelling, ADU, market and comparison details

4

FACTUAL CHECK

Verify fields and facts before challenging conclusions

NEXT: apply this reading sequence to the guided sample report.

How to use the sample report

Illustrative detached home with a standalone ADU

23 report pages after the PDF cover material

Follow the property, market and value story as we move through it



Summary and assignment

Uniform Residential Appraisal Report

14568 GENERIC RD, OUT THERE, VA 56789

SUMMARY

Opinion Of Market Value	$775,000	**Market Value Condition**	As Is
Effective Date Of Appraisal	09/08/2019	**Property Valuation Method**	Traditional Appraisal
Assignment Reason	Purchase	**Appraiser Name**	Agatha Appraiser
Borrower Name	Bob Borrower Betty Borrower		
Current Owner Of Public Record	Jane Doe		
Contract Price	$770,000		
Listing Status	Pending		

Property Description

Construction Method	Site Built	**Overall Quality**	Q4
Attachment Type	Detached	**Overall Condition**	C4

	Yes	No
Planned Unit Development (PUD)	☐	☑
Condominium	☐	☑
Cooperative	☐	☑
Condop	☐	☑
Subject Site Owned in Common	☐	☑

Units Excluding ADUs	1
Accessory Dwelling Units	1
Property Rights Appraised	Fee Simple

	Yes	No
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?	☑	☐

Zoning Compliance	Legal

This is where the Dwelling Front photo would display.

Apparent Defects, Damages, Deficiencies Requiring Action

None

URAR p. 1 | Illustrative sample

LOOK FOR

The sample shows $775,000 “as is” value against a $770,000 contract

It identifies the effective date and traditional appraisal method

Agent check: address, contract terms and property facts match the file

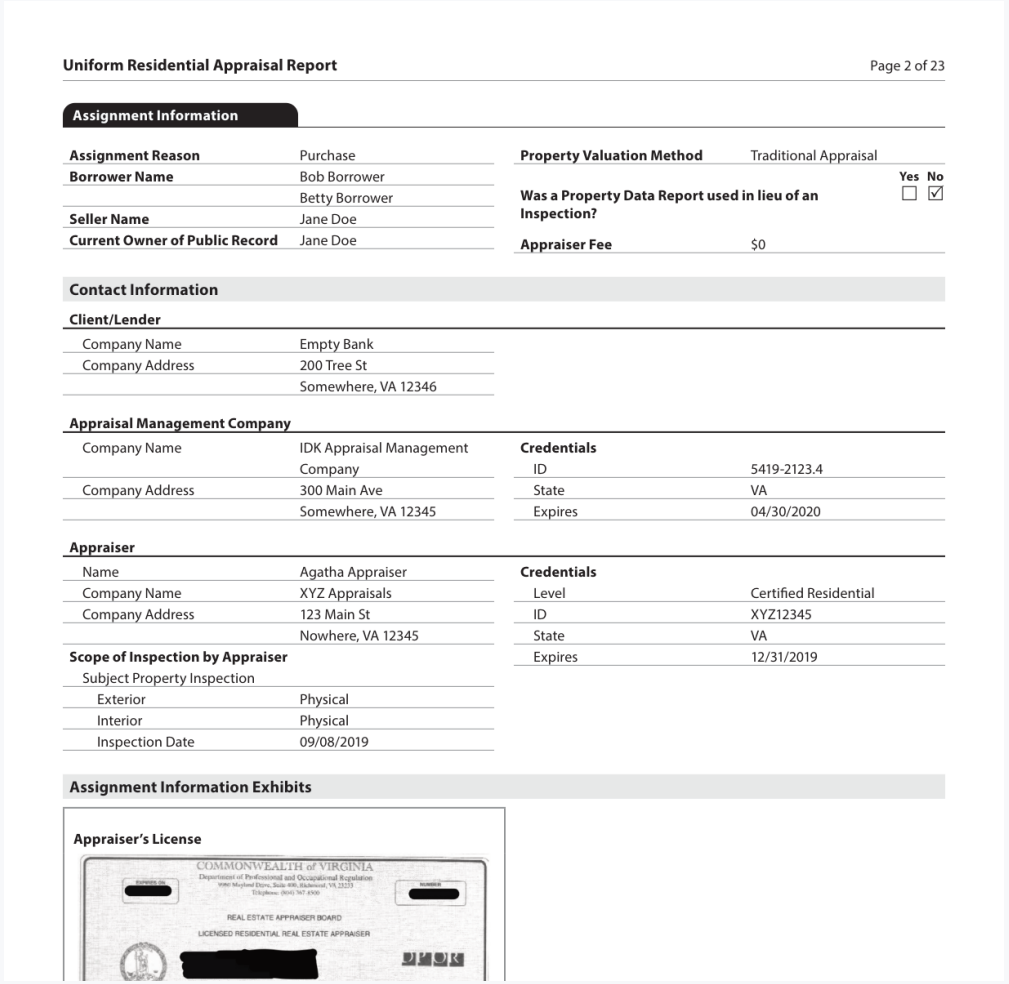
Assignment and inspection scope

LOOK FOR

The client, AMC and appraiser are identified in assignment information

No property data report was used in this traditional sample

The appraiser reports a physical interior and exterior inspection



Uniform Residential Appraisal Report — Page 2 of 23

Assignment Information

Assignment Reason	Purchase	**Property Valuation Method**	Traditional Appraisal
Borrower Name	Bob Borrower Betty Borrower	**Was a Property Data Report used in lieu of an Inspection?**	Yes ☐ No ☑
Seller Name	Jane Doe		
Current Owner of Public Record	Jane Doe	**Appraiser Fee**	$0

Contact Information

Client/Lender

Company Name	Empty Bank
Company Address	200 Tree St Somewhere, VA 12346

Appraisal Management Company

Company Name	IDK Appraisal Management Company	**Credentials**	
		ID	5419-2123.4
Company Address	300 Main Ave Somewhere, VA 12345	State	VA
		Expires	04/30/2020

Appraiser

Name	Agatha Appraiser	**Credentials**	
Company Name	XYZ Appraisals	Level	Certified Residential
Company Address	123 Main St Nowhere, VA 12345	ID	XYZ12345
		State	VA
Scope of Inspection by Appraiser		Expires	12/31/2019
Subject Property Inspection			
Exterior	Physical		
Interior	Physical		
Inspection Date	09/08/2019		

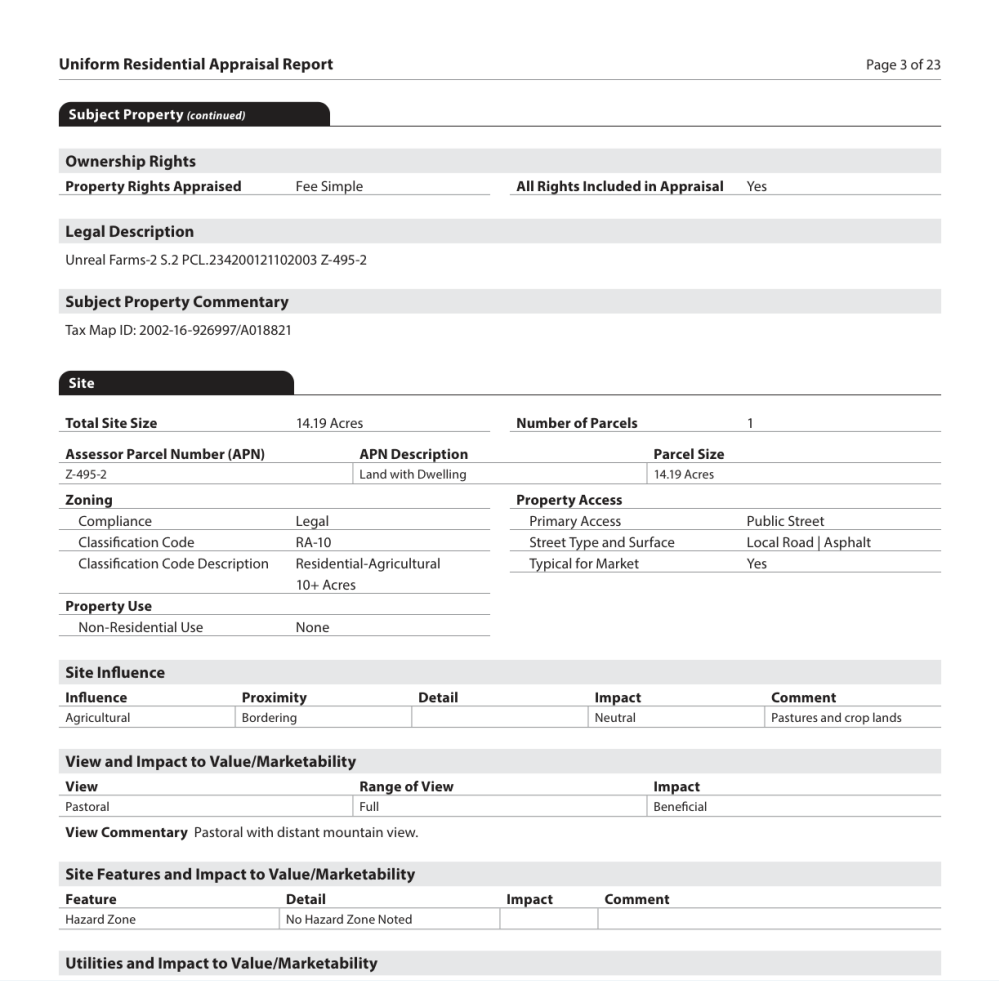
Assignment Information Exhibits

Appraiser's License

COMMONWEALTH of VIRGINIA
Department of Professional and Occupational Regulation
REAL ESTATE APPRAISER BOARD
LICENSED RESIDENTIAL REAL ESTATE APPRAISER

URAR p. 2 | Illustrative sample

Subject and site



Uniform Residential Appraisal Report — Page 3 of 23

Subject Property *(continued)*

Ownership Rights

Property Rights Appraised	Fee Simple	All Rights Included in Appraisal	Yes

Legal Description

Unreal Farms-2 S.2 PCL.234200121102003 Z-495-2

Subject Property Commentary

Tax Map ID: 2002-16-926997/A018821

Site

Total Site Size	14.19 Acres	Number of Parcels	1

Assessor Parcel Number (APN)	APN Description	Parcel Size
Z-495-2	Land with Dwelling	14.19 Acres

Zoning		Property Access	
Compliance	Legal	Primary Access	Public Street
Classification Code	RA-10	Street Type and Surface	Local Road | Asphalt
Classification Code Description	Residential-Agricultural 10+ Acres	Typical for Market	Yes
Property Use			
Non-Residential Use	None		

Site Influence

Influence	Proximity	Detail	Impact	Comment
Agricultural	Bordering		Neutral	Pastures and crop lands

View and Impact to Value/Marketability

View	Range of View	Impact
Pastoral	Full	Beneficial

View Commentary Pastoral with distant mountain view.

Site Features and Impact to Value/Marketability

Feature	Detail	Impact	Comment
Hazard Zone	No Hazard Zone Noted		

Utilities and Impact to Value/Marketability

URAR pp. 2–4 | Illustrative sample

LOOK FOR

The report describes fee-simple rights, a detached dwelling and 14.19 acres

It records private well and septic and other site characteristics

Agent check: compare legal, site and utility facts with reliable records

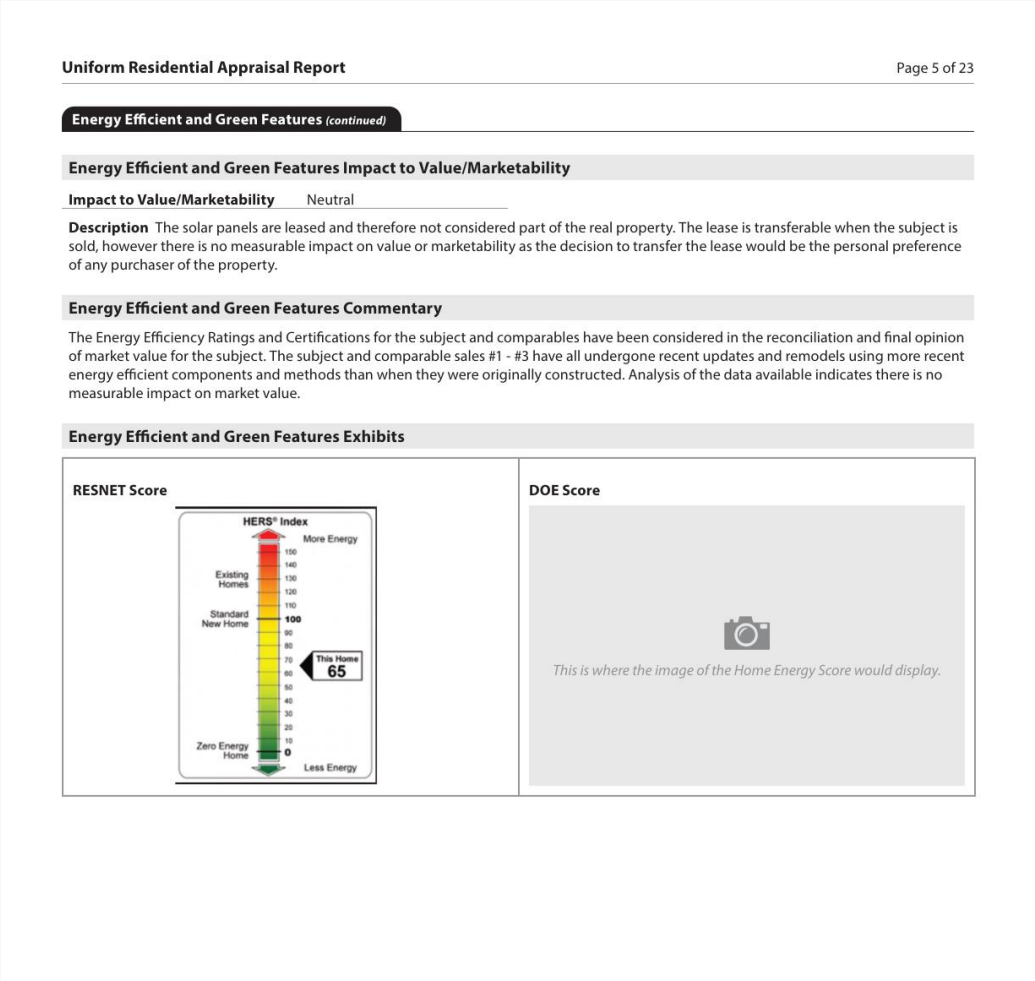
Site and energy features

LOOK FOR

Leased solar is identified rather than treated as owned real property

The appraiser reports an impact on value or marketability for relevant features

Agent check: confirm the lease facts and any transfer terms with the parties



Uniform Residential Appraisal Report Page 5 of 23

Energy Efficient and Green Features *(continued)*

Energy Efficient and Green Features Impact to Value/Marketability

Impact to Value/Marketability Neutral

Description The solar panels are leased and therefore not considered part of the real property. The lease is transferable when the subject is sold, however there is no measurable impact on value or marketability as the decision to transfer the lease would be the personal preference of any purchaser of the property.

Energy Efficient and Green Features Commentary

The Energy Efficiency Ratings and Certifications for the subject and comparables have been considered in the reconciliation and final opinion of market value for the subject. The subject and comparable sales #1 - #3 have all undergone recent updates and remodels using more recent energy efficient components and methods than when they were originally constructed. Analysis of the data available indicates there is no measurable impact on market value.

Energy Efficient and Green Features Exhibits

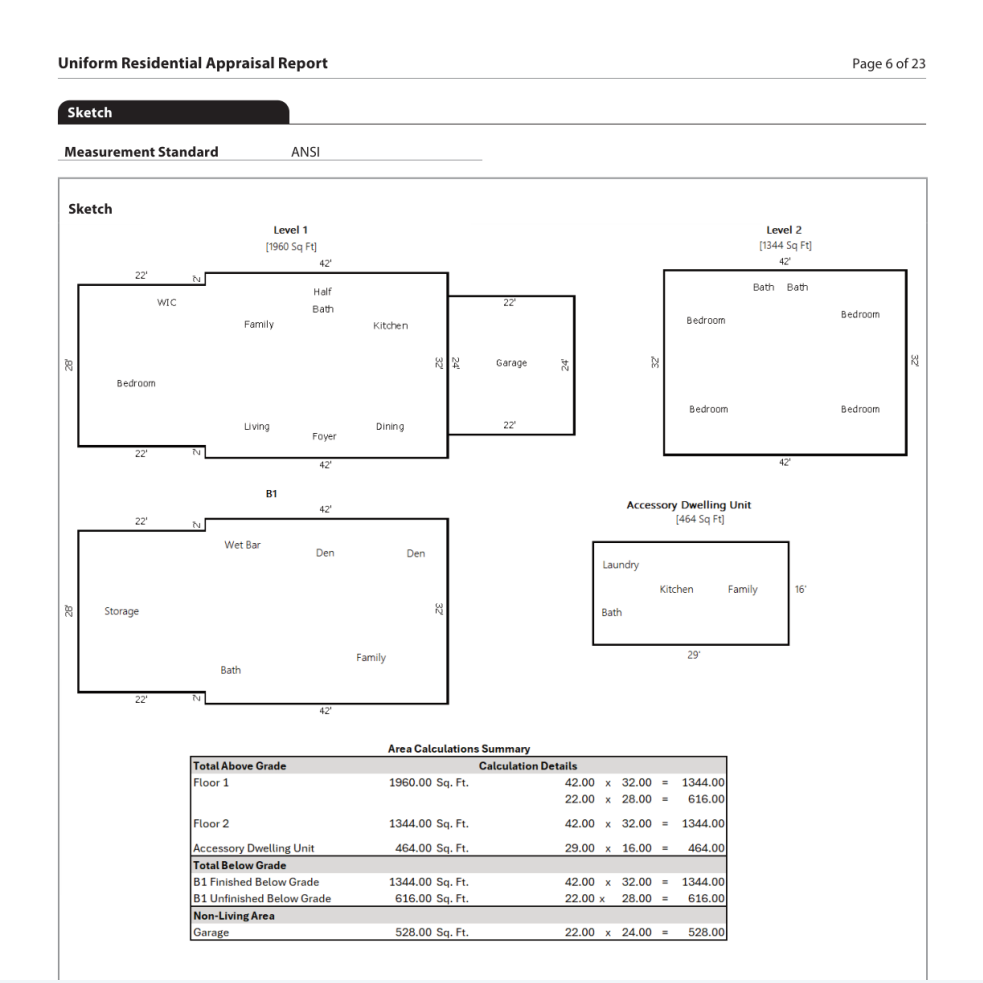
RESNET Score

DOE Score

This is where the image of the Home Energy Score would display.

URAR p. 5 | Illustrative sample

Area and measurement



Uniform Residential Appraisal Report — Page 6 of 23

Sketch

Measurement Standard ANSI

Sketch

Area Calculations Summary

Total Above Grade		Calculation Details				
Floor 1	1960.00 Sq. Ft.	42.00	x	32.00	=	1344.00
		22.00	x	28.00	=	616.00
Floor 2	1344.00 Sq. Ft.	42.00	x	32.00	=	1344.00
Accessory Dwelling Unit	464.00 Sq. Ft.	29.00	x	16.00	=	464.00
Total Below Grade						
B1 Finished Below Grade	1344.00 Sq. Ft.	42.00	x	32.00	=	1344.00
B1 Unfinished Below Grade	616.00 Sq. Ft.	22.00	x	28.00	=	616.00
Non-Living Area						
Garage	528.00 Sq. Ft.	22.00	x	24.00	=	528.00

URAR p. 6 | Illustrative sample

LOOK FOR

The sketch identifies ANSI as the measurement standard

The primary dwelling separates above-grade and below-grade areas

The 464-square-foot ADU appears separately from primary-dwelling area

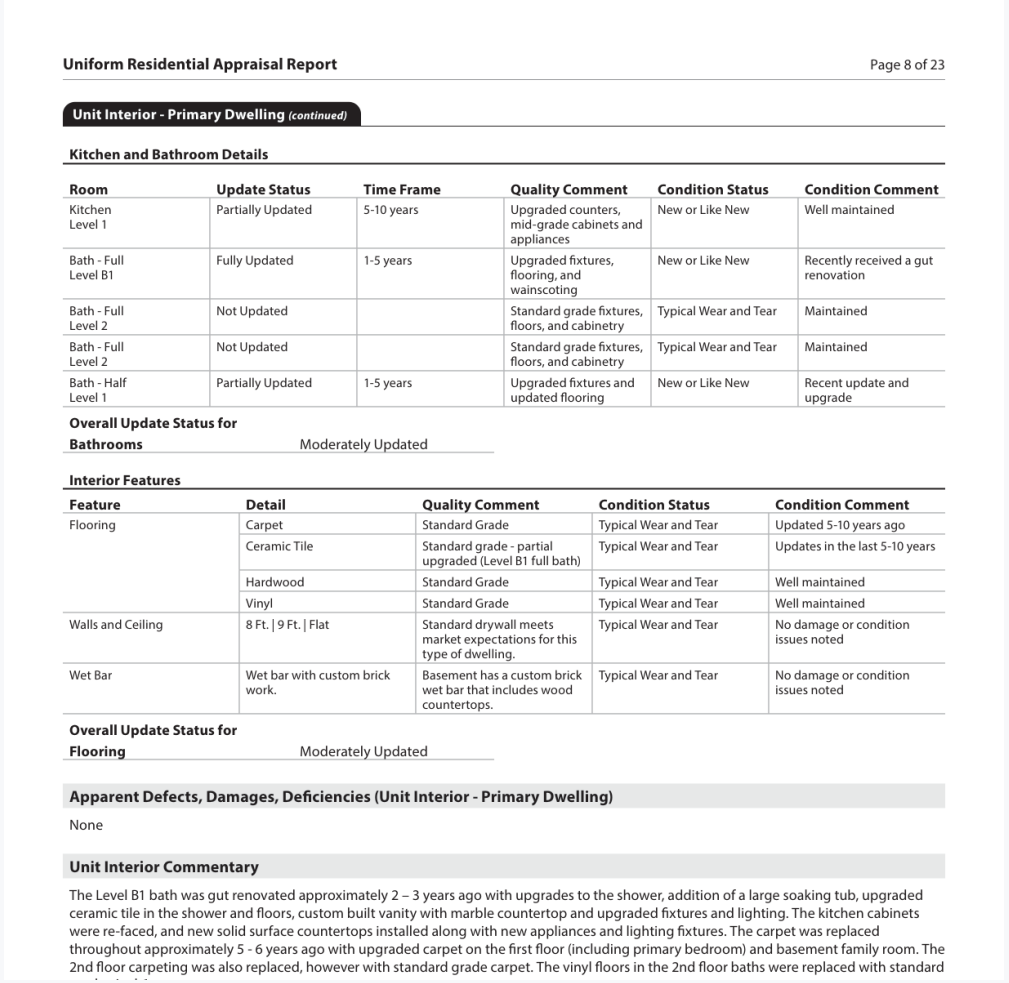
Dwelling exterior and interior

LOOK FOR

Exterior and room details support the quality and condition ratings

Update status and condition descriptions give context to the scores

Agent check: flag a clear factual mismatch without diagnosing defects



Uniform Residential Appraisal Report — Page 8 of 23

Unit Interior - Primary Dwelling *(continued)*

Kitchen and Bathroom Details

Room	Update Status	Time Frame	Quality Comment	Condition Status	Condition Comment
Kitchen Level 1	Partially Updated	5-10 years	Upgraded counters, mid-grade cabinets and appliances	New or Like New	Well maintained
Bath - Full Level B1	Fully Updated	1-5 years	Upgraded fixtures, flooring, and wainscoting	New or Like New	Recently received a gut renovation
Bath - Full Level 2	Not Updated		Standard grade fixtures, floors, and cabinetry	Typical Wear and Tear	Maintained
Bath - Full Level 2	Not Updated		Standard grade fixtures, floors, and cabinetry	Typical Wear and Tear	Maintained
Bath - Half Level 1	Partially Updated	1-5 years	Upgraded fixtures and updated flooring	New or Like New	Recent update and upgrade

Overall Update Status for Bathrooms Moderately Updated

Interior Features

Feature	Detail	Quality Comment	Condition Status	Condition Comment
Flooring	Carpet	Standard Grade	Typical Wear and Tear	Updated 5-10 years ago
	Ceramic Tile	Standard grade - partial upgraded (Level B1 full bath)	Typical Wear and Tear	Updates in the last 5-10 years
	Hardwood	Standard Grade	Typical Wear and Tear	Well maintained
	Vinyl	Standard Grade	Typical Wear and Tear	Well maintained
Walls and Ceiling	8 Ft. | 9 Ft. | Flat	Standard drywall meets market expectations for this type of dwelling.	Typical Wear and Tear	No damage or condition issues noted
Wet Bar	Wet bar with custom brick work.	Basement has a custom brick wet bar that includes wood countertops.	Typical Wear and Tear	No damage or condition issues noted

Overall Update Status for Flooring Moderately Updated

Apparent Defects, Damages, Deficiencies (Unit Interior - Primary Dwelling)

None

Unit Interior Commentary

The Level B1 bath was gut renovated approximately 2 – 3 years ago with upgrades to the shower, addition of a large soaking tub, upgraded ceramic tile in the shower and floors, custom built vanity with marble countertop and upgraded fixtures and lighting. The kitchen cabinets were re-faced, and new solid surface countertops installed along with new appliances and lighting fixtures. The carpet was replaced throughout approximately 5 - 6 years ago with upgraded carpet on the first floor (including primary bedroom) and basement family room. The 2nd floor carpeting was also replaced, however with standard grade carpet. The vinyl floors in the 2nd floor baths were replaced with standard

URAR pp. 6–9 | Illustrative sample

The standalone ADU



Uniform Residential Appraisal Report — Page 10 of 23

Outbuilding - Standalone ADU

Considered Real Property	Yes
Units in Structure	1
Gross Building Area	464 Sq. Ft.

Gross Building Area for the outbuilding includes area for vehicle storage, ADU(s), and any other uses

This is where the Standalone ADU Front photo would display.

Detail

Utilities	Electricity
	Sanitary Sewer
	Water

The table below depicts the area of the outbuilding, excluding vehicle storage and any ADU(s)

Finish	Total Area	Room Summary
Finished	0 Sq. Ft.	
Unfinished	0 Sq. Ft.	

Mechanical System Details

	System	Detail
Heating	Forced Warm Air	Electric
Cooling	None	

Apparent Defects, Damages, Deficiencies (Standalone ADU)

None

Outbuilding Commentary

The subject's outbuilding is a standalone ADU. Please see the Unit Interior - Standalone ADU for details and comments.

Outbuilding Exhibits

Rear View

URAR pp. 10–12 | Illustrative sample

LOOK FOR

The report identifies a separate 464-square-foot outbuilding unit

It records kitchen, bath, living space and utility details

Agent check: compare marketing claims and permits with reported facts

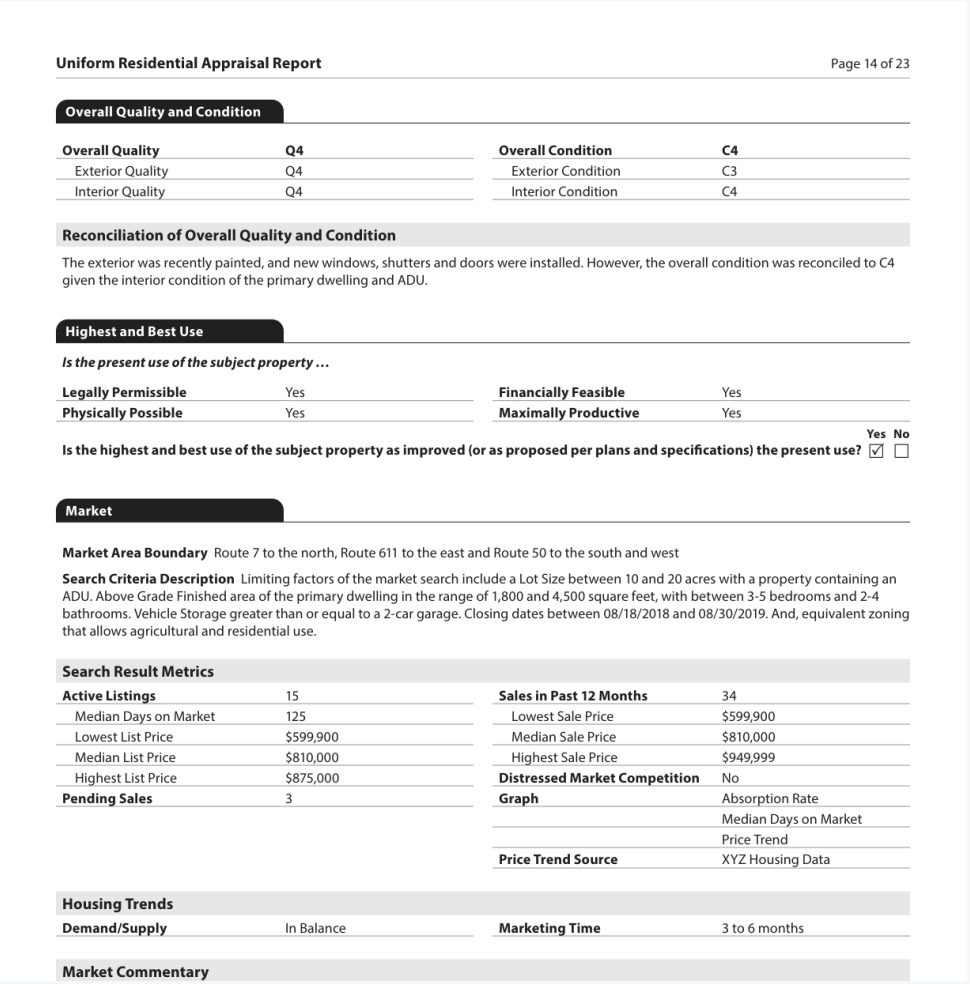
Amenities, quality and condition

LOOK FOR

Decks, patio, pool and storage appear in the amenity details

The overall ratings are Q4 quality and C4 condition in this sample

Read the reconciliation that supports ratings before disputing them



Uniform Residential Appraisal Report Page 14 of 23

Overall Quality and Condition

Overall Quality	Q4	Overall Condition	C4
Exterior Quality	Q4	Exterior Condition	C3
Interior Quality	Q4	Interior Condition	C4

Reconciliation of Overall Quality and Condition

The exterior was recently painted, and new windows, shutters and doors were installed. However, the overall condition was reconciled to C4 given the interior condition of the primary dwelling and ADU.

Highest and Best Use

Is the present use of the subject property ...

Legally Permissible	Yes	Financially Feasible	Yes
Physically Possible	Yes	Maximally Productive	Yes

	Yes	No
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?	☑	☐

Market

Market Area Boundary Route 7 to the north, Route 611 to the east and Route 50 to the south and west

Search Criteria Description Limiting factors of the market search include a Lot Size between 10 and 20 acres with a property containing an ADU. Above Grade Finished area of the primary dwelling in the range of 1,800 and 4,500 square feet, with between 3-5 bedrooms and 2-4 bathrooms. Vehicle Storage greater than or equal to a 2-car garage. Closing dates between 08/18/2018 and 08/30/2019. And, equivalent zoning that allows agricultural and residential use.

Search Result Metrics

Active Listings	15	Sales in Past 12 Months	34
Median Days on Market	125	Lowest Sale Price	$599,900
Lowest List Price	$599,900	Median Sale Price	$810,000
Median List Price	$810,000	Highest Sale Price	$949,999
Highest List Price	$875,000	Distressed Market Competition	No
Pending Sales	3	Graph	Absorption Rate
			Median Days on Market
			Price Trend
		Price Trend Source	XYZ Housing Data

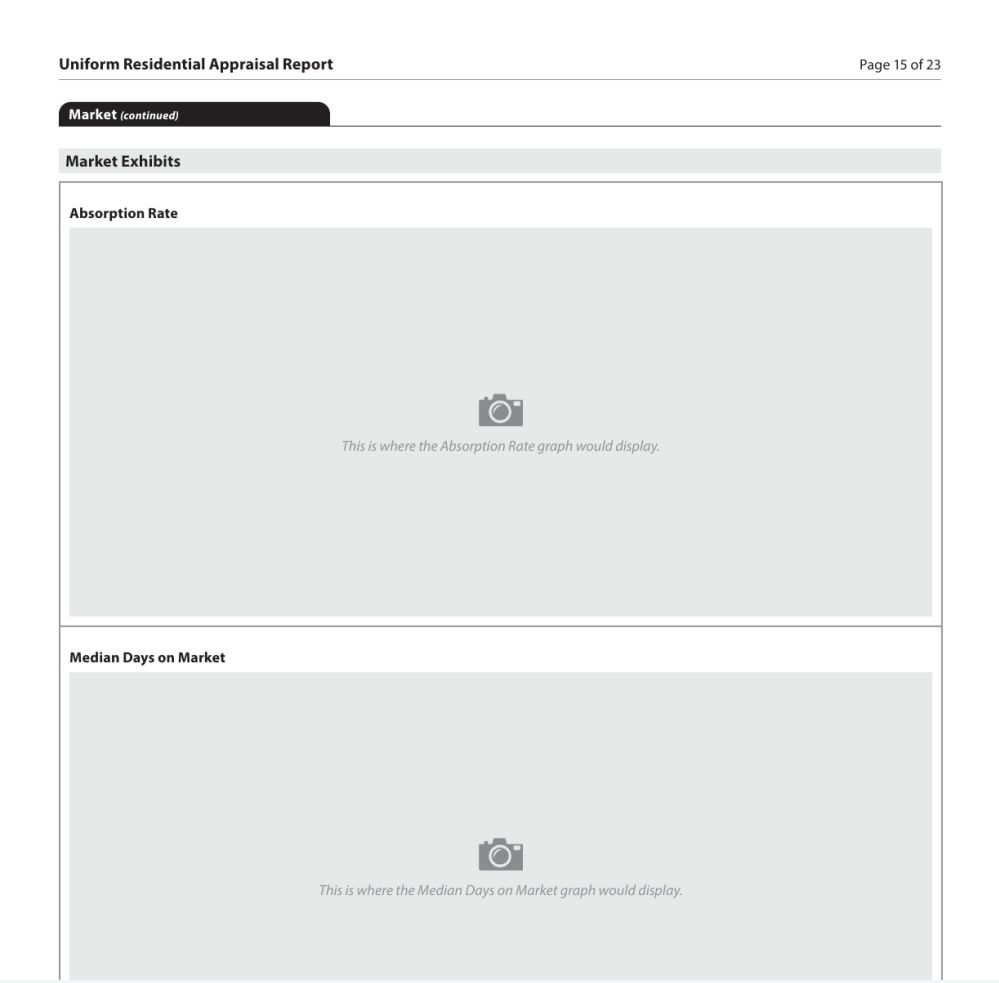
Housing Trends

Demand/Supply	In Balance	Marketing Time	3 to 6 months

Market Commentary

URAR pp. 13–14 | Illustrative sample

Market and listing history



Uniform Residential Appraisal Report — Page 15 of 23

Market *(continued)*

Market Exhibits

Absorption Rate

This is where the Absorption Rate graph would display.

Median Days on Market

This is where the Median Days on Market graph would display.

URAR pp. 14–16 | Illustrative sample

LOOK FOR

The market section provides context for supply, demand and price trends

The subject's listing and contract history appears before the comp grid

Agent check: verify dates, prices, concessions and status

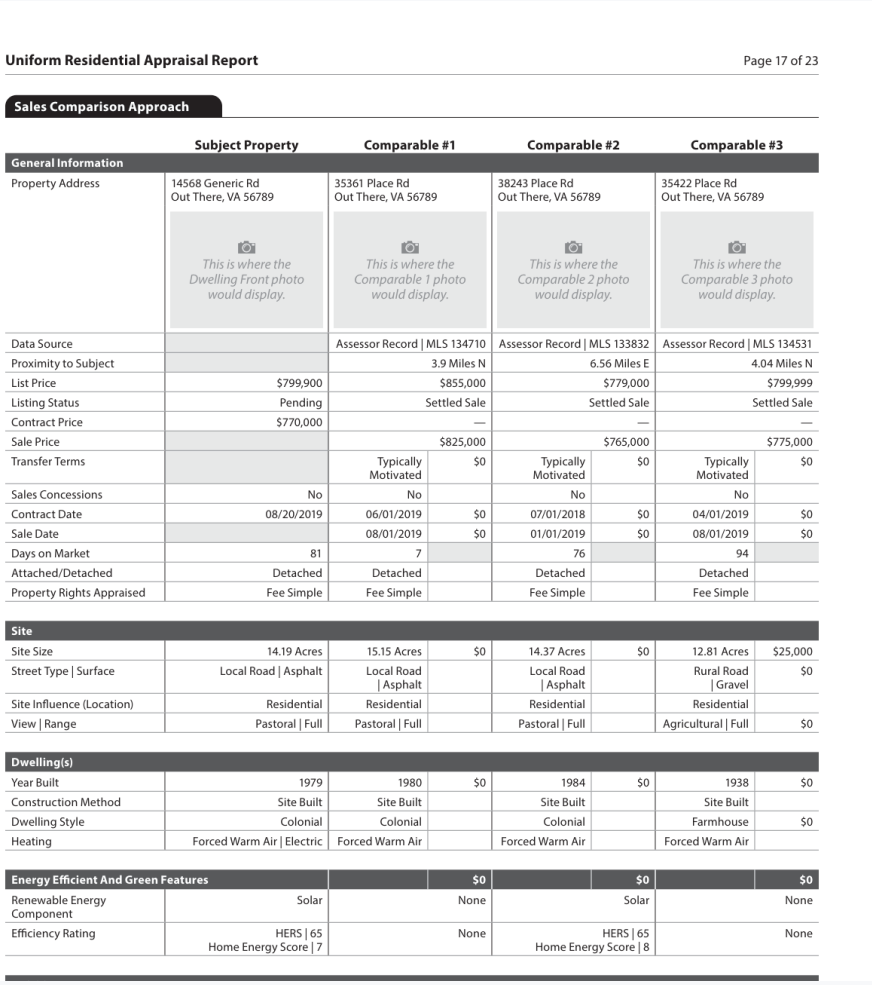
Comparable selection

LOOK FOR

Three closed sales appear with subject and comparable details side by side

Review site, area, ADU, condition and transaction differences

Ask whether an omitted sale is truly more comparable and why



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Sales Comparison Approach

	Subject Property	Comparable #1		Comparable #2		Comparable #3	
General Information							
Property Address	14568 Generic Rd Out There, VA 56789	35361 Place Rd Out There, VA 56789		38243 Place Rd Out There, VA 56789		35422 Place Rd Out There, VA 56789	
	This is where the Dwelling Front photo would display.	This is where the Comparable 1 photo would display.		This is where the Comparable 2 photo would display.		This is where the Comparable 3 photo would display.	
Data Source		Assessor Record | MLS 134710		Assessor Record | MLS 133832		Assessor Record | MLS 134531	
Proximity to Subject		3.9 Miles N		6.56 Miles E		4.04 Miles N	
List Price	$799,900	$855,000		$779,000		$799,999	
Listing Status	Pending	Settled Sale		Settled Sale		Settled Sale	
Contract Price	$770,000	—		—		—	
Sale Price		$825,000		$765,000		$775,000	
Transfer Terms		Typically Motivated	$0	Typically Motivated	$0	Typically Motivated	$0
Sales Concessions	No	No		No		No	
Contract Date	08/20/2019	06/01/2019	$0	07/01/2018	$0	04/01/2019	$0
Sale Date		08/01/2019	$0	01/01/2019	$0	08/01/2019	$0
Days on Market	81	7		76		94	
Attached/Detached	Detached	Detached		Detached		Detached	
Property Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site							
Site Size	14.19 Acres	15.15 Acres	$0	14.37 Acres	$0	12.81 Acres	$25,000
Street Type | Surface	Local Road | Asphalt	Local Road | Asphalt		Local Road | Asphalt		Rural Road | Gravel	$0
Site Influence (Location)	Residential	Residential		Residential		Residential	
View | Range	Pastoral | Full	Pastoral | Full		Pastoral | Full		Agricultural | Full	$0
Dwelling(s)							
Year Built	1979	1980	$0	1984	$0	1938	$0
Construction Method	Site Built	Site Built		Site Built		Site Built	
Dwelling Style	Colonial	Colonial		Colonial		Farmhouse	$0
Heating	Forced Warm Air | Electric	Forced Warm Air		Forced Warm Air		Forced Warm Air	
Energy Efficient And Green Features			$0		$0		$0
Renewable Energy Component	Solar	None		Solar		None	
Efficiency Rating	HERS | 65 Home Energy Score | 7	None		HERS | 65 Home Energy Score | 8		None	

URAR p. 17 | Illustrative sample

Adjustments and final value

List Price	$799,900	$855,000	$779,000	$799,999
Contract Price	$770,000	—	—	—
Sale Price		$825,000	$765,000	$775,000
Net Adjustment Total		$(41,900)	$3,380	$14,480
Price Per Finished Area Above Grade		$221	$215	$312
Adjusted Price		$783,100	$768,380	$789,480
Comparable Weight		Most	Most	Less
Indicated Value by Sales Comparison Approach				
Indicated Value	$775,000			

Reconciliation of Sales Comparison Approach

The subject and comparables are located within a market area that has a rural nature while being within 40 miles commuting distance to the Northern Virginia and Washington, DC metropolitan and suburban area business and government centers. Within this market segment larger lots with pastoral views and accessory structures and outbuildings are typical. However, sales of properties with accessory dwelling units, while not uncommon, can be difficult to identify as the units are often not advertised as separate living areas. Comparables #1 and #2 are given greatest consideration as they contain accessory dwelling units that are located within the main dwelling but are otherwise similar to the subject's accessory unit. Comparables #1 and #2 are also similar to the subject in age and Comparable #2 is most similar to the subject in level and quality of updates. Comparable #3 has a garage, an ADU, and a separate studio. The ADU shares a common wall with the garage. However, Comparable #3 receives least consideration as it is an older farmhouse that has been gut renovated, including foundation work to upgrade and provide additional support. The renovation was completed with a high level of quality and craftsmanship while maintaining vintage characteristics (e.g., random width wood flooring and trim that has been restored and refinished) which may appeal to a different buyer pool than houses of the subject and comparable #1 and #2's vintage.

URAR p. 18 | Illustrative sample

LOOK FOR

Adjusted prices are $783,100, $768,380 and $789,480

The appraiser weights comps 1 and 2 most and comp 3 less

The narrative explains the $775,000 sales-comparison conclusion

Exhibits and report review

LOOK FOR

Photos, maps and supporting exhibits sit near relevant report sections

Certifications describe the appraiser's responsibilities and scope

Agent response: record a specific concern and use the lender's review channel



Uniform Residential Appraisal Report — Page 20 of 23

Sales Comparison Approach *(continued)*

Sales Comparison Approach Exhibits

Comparable #1

This is where the Comparable 1 photo would display.

Comparable #2

This is where the Comparable 2 photo would display.

Comparable #3

This is where the Comparable 3 photo would display.

Reconciliation

Approaches to Value

	Sales Comparison Approach	Income Approach	Cost Approach

URAR pp. 19–23 | Illustrative sample

GREC Approved School #8285

Break

15 minutes

Return ready to apply the report to real transactions

Four valuation paths

The lender confirms which path is available for the actual transaction.

NO VISIT

VALUE ACCEPTANCE

Eligible automated value offer; no appraisal.

DATA VISIT

VALUE ACCEPTANCE + DATA

Property collection supports an eligible no-appraisal path.

SPLIT ROLE

HYBRID

An appraiser develops value using a third-party property data report.

APPRAISER VISIT

TRADITIONAL

An appraiser inspects as required and develops value.

The path depends on lender findings and eligibility – not agent preference.

The visitor and the value professional may be different

Compare who observes the property with who develops the value conclusion.

VALUATION PATH	WHO VISITS?	WHO DEVELOPS VALUE?
Value Acceptance	No valuation visit	No appraiser opinion
Property Data	Property data collector	No appraiser opinion
Hybrid	Property data collector	Appraiser
Traditional	Appraiser	Appraiser

Collector documents facts; appraiser develops and reconciles value.

Confirm the path before expectations harden

A short pre-offer lender conversation should follow a clear sequence.

1

START WITH FACTS

Share the property address and a realistic proposed price.

2

CHECK FINDINGS

Ask what DU or LPA currently requires for the borrower and property.

3

CONFIRM OPTION

Verify whether the lender can exercise any offered alternative.

4

RECHECK CHANGES

Review again after changes to price, loan terms or property information.

Eligibility can change whenever transaction or property inputs change.

A low appraisal

Compare the appraisal conclusion with contract price and financing terms

Review factual accuracy and the appraiser's comparable analysis

Check appraisal, financing and due-diligence deadlines in the contract

Discuss lawful contract and financing options with the client, broker and lender



WHEN VALUE IS DISPUTED

ROV

A lender-led process for a supported challenge to the appraisal analysis.

Evidence matters more than volume.

Reconsideration of Value

A supported request follows the lender's process — it is not a negotiation with the appraiser.

BORROWER	Initiates the ROV through the lender's established process.
ISSUE	Identifies a factual error, omitted relevant sale or analysis concern.
EVIDENCE	Provides sourced support and explains why it materially matters.
OUTCOME	Lender reviews and communicates the result; value may not change.

What belongs in an ROV request

INCLUDE

Pinpoint the issue

State the exact report item or analysis concern and page number.

Attach reliable support

Use documentation or a relevant closed sale with source and date.

Explain materiality

Show why the evidence affects the analysis — not merely that it is nearby.

PROCESS

Borrower follows the lender's ROV instructions and deadlines.

Route evidence through the approved channel and retain the submission record.

AVOID

A target number, pressure, or any promise that the value will change.



WHEN THE ISSUE IS THE PROPERTY

Property condition concerns

REPORT • Find the exact issue and whether the appraisal is “as is” or subject to repairs.

PROGRAM • Ask the lender which investor or loan-program requirement applies.

COMPLETION • Confirm who may perform repairs and what proof or reinspection is required.

CONTRACT • Bring access, cost and deadline questions to the broker and parties.

Condition is the fact; program rules determine the response.

Condition review varies by loan program

PROGRAM	REVIEW STANDARD	AGENT FOCUS
CONVENTIONAL	Lender evaluates deficiencies under investor policy.	Confirm required repair and evidence.
FHA	Lender applies HUD Handbook 4000.1 property requirements.	Clarify completion and reinspection.
VA	VA process addresses MPRs and NOV conditions.	Track the NOV condition and timing.
USDA GUARANTEED	Lender applies USDA property and appraisal requirements.	Ask what documentation closes the item.

Universal question: What repair, completion evidence or reinspection is required — and by when?

VA Tidewater

Tidewater occurs before the VA appraisal is completed when value may be low

The designated point of contact can provide relevant market evidence

The appraiser considers the information but retains independent judgment

A later Notice of Value is a separate step



VA Notice of Value

NOV

The Notice of Value states the VA value decision and any conditions.

A decision document - not a guarantee that earlier Tidewater evidence changed value.

NEXT ACTION

If value is disputed, use the VA ROV procedure through the proper channel.

Review contract, financing and deadline implications with the parties.

Document the communication and the borrower's chosen response.

Keep Tidewater, NOV and ROV records distinct in the file.

THREE DISTINCT VA MOMENTS

VA Tidewater and ROV

The stage names already establish sequence, so extra numbering is unnecessary.



Before final value

Appraiser asks the designated contact for relevant market data.

VA communicates

NOV states the value decision and any conditions.

After the NOV

A supported challenge follows the VA procedure.

At every phase: route evidence through the proper contact, retain the record, and track the contract deadline.

An agent response checklist

DIAGNOSE • Identify whether the issue is value, factual accuracy, condition or timing.

DEADLINE • Read the report and note the controlling contract deadline.

SUBMIT • Gather documents and use the lender’s approved process.

DOCUMENT • Record client communication and elevate material issues to the broker.



Broker supervision protocol

Agent flags a material issue promptly and preserves the report and correspondence

Broker reviews communication, contract dates and proposed client guidance

Lender confirms the appraisal, program and ROV process for the file

Agent documents the options presented and the client's decision

Escalate a disputed fact or deadline before a contingency expires



Value Acceptance before an offer

Buyer is preapproved and interested in a specific home

The lender reports a current Value Acceptance offer

The agent is asked to remove the appraisal contingency

What should the agent do next? When should the broker step in?

Value Acceptance: discuss the response

VERIFY

Confirm with the lender that the Value Acceptance offer is current and the transaction remains eligible

PROTECT

Do not promise that the offer will remain available or replace the buyer's due diligence

EXPLAIN

Explain how removing the appraisal contingency changes the buyer's contract and valuation risk

ESCALATE

Broker reviews any proposed contingency change before the client makes a final decision

Discuss the contract risk before the client changes the contingency.

Hybrid appraisal and property data

A collector needs access to the property

The seller assumes the collector will provide a value

The contract deadline is approaching

What should the agent do next? When should the broker step in?

APPLICATION

Hybrid appraisal: discuss the response

Clarify roles, coordinate access and protect the deadline.

ROLE	Explain that the collector documents property facts; the appraiser and lender handle valuation
ACCESS	Coordinate property access and clarify the collector's role with the seller
TIMING	Confirm timing and status with the lender while tracking the contract deadline
DOCUMEN	Document communications and escalate any deadline risk to the broker

The collector records facts; the lender manages the valuation workflow.

Value below contract price

The appraisal comes in below the agreed purchase price

The listing agent identifies a possible factual error

The buyer asks whether a different appraiser can be assigned

What should the agent do next? When should the broker step in?

Low value: discuss the response

SUPPORTED RESPONSE

Identify a specific factual error or relevant closed sale that supports lender review

Route evidence through the lender's ROV process without demanding a target value

BOUNDARIES + DECISIONS

Do not promise a different appraiser, a second appraisal or a changed value

Review contract and financing choices with the parties and broker

Evidence goes through the lender; contract choices stay with the client and broker.

VA Tidewater notice

The VA appraiser invokes Tidewater

A listing agent has two recent closed sales to submit

The seller wants to contact the appraiser directly

What should the agent do next? When should the broker step in?

VA Tidewater: discuss the response

SUBMIT

Submit relevant recent sales through the designated point of contact before completion

TRACK

Track Tidewater timing and distinguish it from a later NOV or ROV

PROTECT

Do not contact, pressure or direct the appraiser outside the approved process

MANAGE

Use the lender and broker to manage evidence, deadlines and client options

Tidewater happens before completion; NOV and ROV are later, separate steps.

Agent and broker debrief

COMMUNICATE

What may the agent communicate?

DOCUMENT

What needs documentation or lender review?

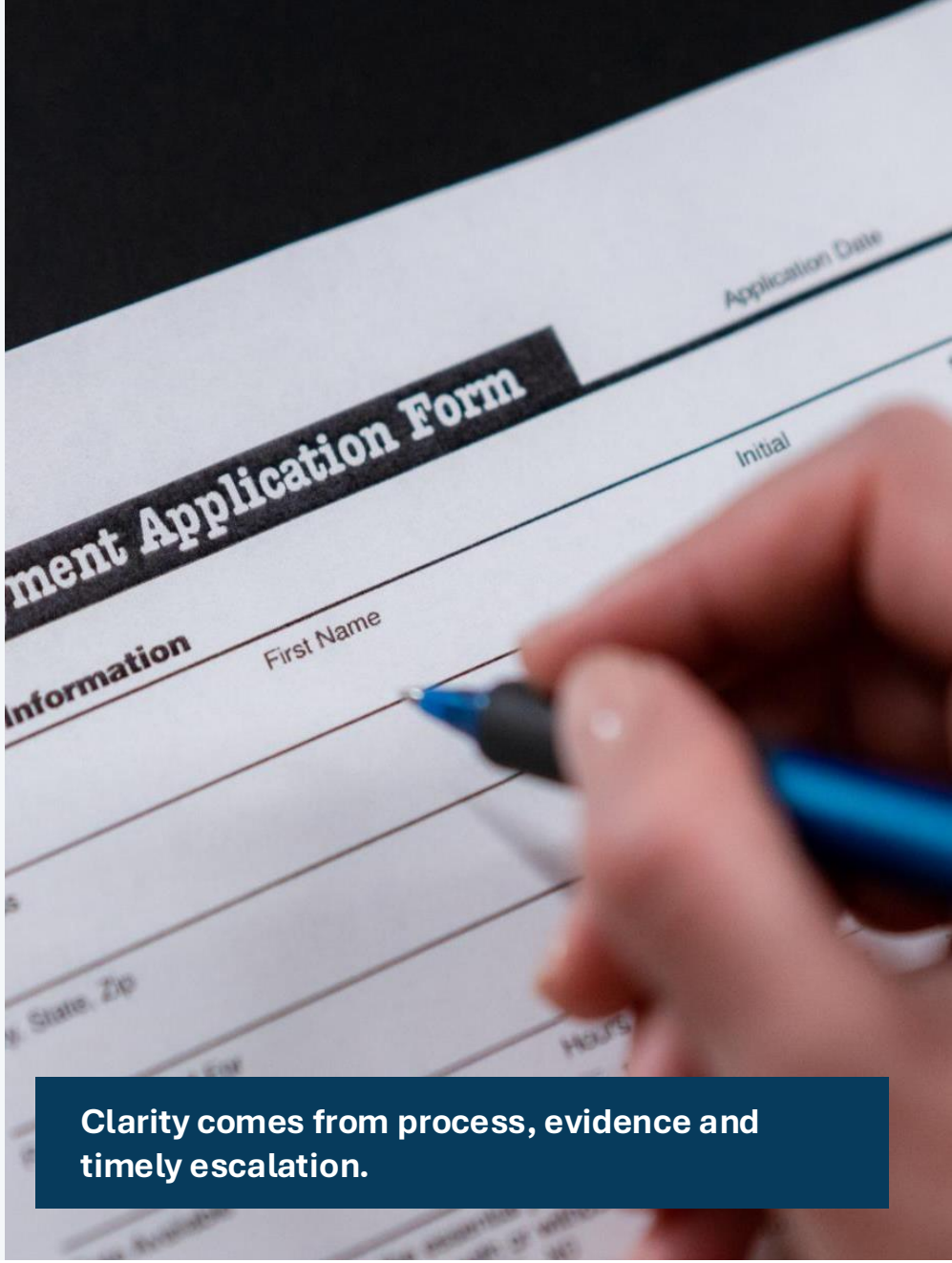
ESCALATE

When should the broker step in?

Name the next best action – not just the issue.

Five takeaways to use in practice

1. Confirm the lender’s valuation path before relying on it
2. Read the URAR as a property and market story
3. Provide evidence without pressuring the appraiser
4. Use lender processes for value and condition issues
5. **Document decisions and involve the broker early**



Clarity comes from process, evidence and timely escalation.

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Questions and course evaluation

johnscreekmortgage.com/ce-class-evaluation

SCAN TO EVALUATE

Date · Oct 22, 2026

Course · Understanding the New Appraisal

Instructor · Brain Norton

Location · Online

Thank you • Questions welcome