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.

**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**.

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.

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**FHA Connection**

- **Business Background**: General background information on this application including the business model and function of this screen in the overall process.
- **Steps for Processing**: Steps required to complete this portion of the business process.
- **Field Descriptions**: Detailed descriptions of all of the fields and their contents on this screen. Includes data validation rules and format for all data.
- **Help Index**: Alphabetical index of all FHA Connection Single Family Origination help.
2. **HUD Mortgagee Letter 2005-34, Adoption of Revised Appraisal Reporting Forms and Update to FHA Appraisal Protocol**, available at:
   - http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/files/05-34ml.doc (no log on required)
   - in the footer on FHA Connection pages (before or after sign on) (Figure 3), or,
   - in the **FHA Connection Resources** section following sign on to the FHA Connection (Figure 4).


### 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.

<table>
<thead>
<tr>
<th>Location</th>
<th>Urban</th>
<th>Suburban</th>
<th>Rural</th>
<th>Property Values</th>
<th>One-Unit Housing Trends</th>
<th>One-Unit Housing</th>
<th>Present Land Use %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Built-Up</td>
<td>Over 75%</td>
<td>25-75%</td>
<td>Under 25%</td>
<td>Demand/Supply</td>
<td>Increasing</td>
<td>Stable</td>
<td>Declining</td>
</tr>
<tr>
<td>Growth</td>
<td>Rapid</td>
<td>Stable</td>
<td>Slow</td>
<td>Marketing Time</td>
<td>Under 3 mths</td>
<td>3-6 mths</td>
<td>Over 6 mths</td>
</tr>
<tr>
<td>Neighborhood Boundaries</td>
<td>Pred</td>
<td>Pred</td>
<td>Pred</td>
<td>Pred</td>
<td>Pred</td>
<td>Pred</td>
<td>Pred</td>
</tr>
<tr>
<td>Neighborhood Description</td>
<td>Pred</td>
<td>Pred</td>
<td>Pred</td>
<td>Pred</td>
<td>Pred</td>
<td>Pred</td>
<td>Pred</td>
</tr>
<tr>
<td>Market Conditions (including support for the above conclusions)</td>
<td>Pred</td>
<td>Pred</td>
<td>Pred</td>
<td>Pred</td>
<td>Pred</td>
<td>Pred</td>
<td>Pred</td>
</tr>
</tbody>
</table>

Figure 5: Subject section of the Appraisal Report

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.

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).

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.

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.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>SUBJECT</th>
<th>Date of Prior Sale/Transfer</th>
<th>Price of Prior Sale/Transfer</th>
</tr>
</thead>
</table>

![Figure 10: Sales Comparison Approach section of the Appraisal Report](image)

Reconciliation Fields

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

![Figure 11: Last page of the Appraisal Report](image)

Notes

- The actual appraiser must be on the FHA Appraiser Roster, meet Appraiser Qualifications Board (AQB) requirements for licensing/certification, and be licensed in the state in which the property is located.
- If the actual appraiser is not the same as the assigned appraiser, then the date appraised is used for validation of the appraiser.