



Client Appeal/Audit Policies for Completed Appraisals

All appraisal reports are reviewed for compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), Fannie Mae, Freddie Mac guidelines, the real estate settlement and procedures act (RESPA), the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), FHA and finally the specific underwriting guidelines of the Lender/Client. Reviews are focused on FNMA appraisal report forms revised March 2005. The completed and approved appraisal should lead the reader of the report to the same conclusions regarding estimated value and property condition as those derived by the original appraiser.

We support two types of client appraisal appeals/audits:

1. **Client Value Appeal**
2. **Client Compliance Audit**

Client Value Appeal Process

In the event that the Client expresses concern that the completed appraisal report does not adequately conform to the above criteria, the Client may initiate the Client Value Appeal process. To initiate an eligible Client Value appeal, the following steps must be taken and supporting documentation included.

1. A list of at least 3, but no more than 5, applicable comparable sales
 - a. Comps must be similar in style, size location and amenities to the subject
 - b. Comps must not be older than 1 year
 - c. Comps must come from a verifiable source (MLS or County records). Information from sources such as Zillow and Trulia are NOT verifiable sources and may not be used
 - d. Address, verification source (MLS number if applicable) and sold date must be included in the value appeal. Comps that were not closed by the effective date of the appraisal cannot be considered.
2. A thorough statement regarding the perceived deficiencies and reason for the appeal must be included.
3. The signature of a predetermined member of management or underwriting team must be included. This statement is to verify that an objective third party has reviewed the appeal and finds it to be warranted.
4. This request can be initiated via Pendo's electronic system by uploading this completed form to the original appraisal order and submitting a revision request to address the value appeal/client audit.

In the event the Client Value Appeal Form is received and it is incomplete, or an authorization was not obtained from the predetermined approval individuals, the form will be returned to the client for completion or proper authorization.

At which time the appeal deliberation has been completed, a Pendo staff member will deliver to the Client a revised appraisal report or a comprehensive rebuttal to the Client Value Appeal Form content. If the Appraiser, Pendo does not provide a corrected appraisal report or a rebuttal Pendo will engage a second appraiser, at no additional cost to the Client, to complete a new appraisal.



If not satisfied with the Value Appeal response from the original appraiser, the next step is to order an enhanced desk review at your cost. Pendo will engage a second appraiser to complete this enhanced desk review. If the enhanced desk review supports the value of the original appraisal, the value appeal process terminates. However, if the enhanced desk review comes back and does not support the value of the original appraisal, Pendo will order a second full appraisal and engage a third appraiser at our cost.

Client Compliance Audit Process

In the event that the Client uses third party audit tools that identify additional comparables as a part of a potential fraud analysis for the completed appraisal report, the Client may initiate the Client Compliance Audit process. To initiate an eligible Client Compliance Audit, the following steps must be taken and supporting documentation included.

1. A list of no more than 5 applicable comparable sales
 - a. Comps must be similar in style, size location and amenities to the subject
 - b. Comps must not be older than 1 year
 - c. Information from sources such as Zillow and Trulia are NOT verifiable sources and may not be used
 - d. Address, verification source (MLS number if applicable) and sold date must be included in the value appeal. Comps that were not closed by the effective date of the appraisal cannot be considered.
2. The signature of a predetermined member of management or underwriting team must be included. This statement is to verify that an objective third party has reviewed the audit and finds it to be warranted.
3. This request can be initiated via a request within Pendo's website by using the "email office" feature located within the specific appraisal order in question. Please upload the completed Client Compliance Audit Form as well.

In the event the Client Compliance Audit Form is received and it is incomplete, or authorization was not obtained from the predetermined approval individuals, the form will be returned to the Client for completion or proper authorization.

*We can only accept one Client Value Appeal and one Client Compliance Audit request for each completed appraisal report.

**** Please complete all fields outlined in red.**



Value Appeal/ Compliance Audit Form:

Please select the form you are submitting.

Client Value Appeal:

Client Compliance Audit:

Date Submitted:

Pendo File Number:

Client Name:

Client Email Address:

Property Address:

Property City/State/Zip:

Date of Closed Sale:

Source/MLS #

Closed Sale Address

Summary of the Appeal/Audit- Please provide commentary explaining the basis for your appeal below.

Client Management Approval

Name:

Date:

Signature:

By entering my name above, I certify that I am authorized to submit this request on the client company's behalf.