



Reconsideration of Value Process

Appraisal MC is the appraisal management company for your preferred Lender. The duty of Appraisal MC is to facilitate the compliance between the Lender and the third-party Appraiser. If you wish to have the Appraiser review additional sales or data, a Reconsideration of Value (ROV) may be submitted by the Lender to Appraisal MC. Please note per FHA/USDA guidelines only the Underwriter may submit a ROV to Appraisal MC as FHA requires a DE Underwriter to support the ROV (*Handbook 4000.1 – II.A.3.(3).viii*). The ROV may be requested based on **additional sales data not already in the original appraisal report** or on **additional facts about the analysis or data** that are relevant and measurable to the appraisal analysis. Only one request may be submitted and commentary/data must comply with Appraiser Independence Regulations (AIR) and Dodd-Frank compliance.

The completion submission of a ROV may or may not result in a change to the report or the value opinion. Once the ROV is sent to Appraisal MC, the compliant information will be sent to the appraiser for consideration of the comparables and/or factual data. The Appraiser then has two options, the first is to adjust the value if the change is clearly warranted and fully supported by valid information which would be considered adequate and reasonable by *professional appraisal standards*. The second is to keep the report as is. If the appraiser does not change the report and re-consider the analysis, then the appraiser will comment as to why the information was not utilized.

Please refer to the possible 2 Reconsideration items listed below, which may include additional comparables that closed prior to the effective date of the appraisal report that were not considered, or concerns with information or data within the report. Supporting data is required to provide the information necessary to consider whether or not a change in value is warranted.

1. REQUEST BASED ON DIFFERENT SALES DATA:

Appraisers are required by regulatory agencies to utilize comparable sales that are locationally, physically, and functionally the most similar to the subject property. Comparable *sales* may be provided that are **superior** to those selected by the appraiser (i.e. more recent, more proximate, more similar, etc.) and that closed *prior* to the effective date of the appraisal report. You may provide up to 4 closed sales. (No pending/active listings will be considered by the Appraiser for ROV). MLS printouts via PDF for each comparable sale must be provided to verify the sales data information. You may also provide a *concise* narrative explaining why the requestor believes the comparables provided are superior to those selected by the appraiser.

Items to include:

1. Comparables sales that are superior and not included in the original appraisal report.
2. MLS printouts via PDF for each sale to consider that includes the sales data.
3. Concise narrative explaining the reason the comparables provided are superior to

Any information contained in this document is legally privileged, confidential, and intended only for the sole use of Appraisal MC clients and end user of Appraisal MC clients or entity named herein. If the reader of this document not the intended recipient, you are hereby notified that any dissemination, distribution, or copy of the document is strictly prohibited.

those selected by the appraiser.

2. REQUEST BASED ON DISAGREEMENT WITH APPRAISAL ANALYSIS OR DATA:

Appraisers are required to assess adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparables. The requestor may provide a narrative explaining the items of disagreement and the reasons for believing the information provided in the report are incorrect with proper support of factual information. Disagreement(s) with items such as grid adjustments, or subject square footage measurement should be explained and any documentation available to support these disagreement(s) should also be provided.

Items to include:

1. Narrative outlining the perceived shortcomings of the appraisal along with an explanation with factual data comparisons for regarding the reason(s) the information provided in the report is incorrect.
2. Documentation or evidence to supported items addressed in the narrative.

Examples of Unacceptable Information for a ROV

- **Please do not submit another appraisal report:** Per regulatory guidelines this is considered an attempt to influence value and is not permitted. You **may** list the comparable information or pertinent data from a prior appraisal that is in compliance with the regulatory guidelines.
- **Please do not** submit any analysis that points to a specific value or value range (e.g., Zillow.com value estimate, CMA, AVM). Per regulatory guidelines this is considered an attempt to influence value and is not permitted. You **may** list the comparable information or pertinent data that is in compliance with the regulatory guidelines.

FINAL RESULTS

When appraisal revisions have an impact on value, the appraisal report will be sent back to Appraisal MC for QC and then submitted to the Lender. If there is no change in value warranted, the comments from the Appraiser will be sent to Appraisal MC and forwarded to the Lender.