

# APPRAISAL UPDATE

File No: \_\_\_\_\_  
Client: \_\_\_\_\_  
Borrower: \_\_\_\_\_

On \_\_\_\_\_ (effective date), the property situated at:

\_\_\_\_\_  
\_\_\_\_\_

Was appraised by me, or by: \_\_\_\_\_  
The original report was dated \_\_\_\_\_ (Date the report was signed).

The property rights appraised were:  Fee Simple; or  Leasehold. The same rights are considered in this update.

The present use of the property at the time of the original appraisal was:  Single Family Residential,  
 2-4 Family Residential,  Residential Condominium,  Commercial,  Agricultural, or  
 Other (specify) \_\_\_\_\_. The appraiser makes the assumption that the property is still at the same use as when the original report was completed.

The Highest and Best Use of the property, at the time of the original appraisal report, was considered to be:  
 Present Use, or  Other (specify) \_\_\_\_\_. The appraiser assumes the property is at the same Highest and Best Use as when the original report was completed.

The appraisal report was prepared for the above referenced client and said client has requested an Appraisal Update to be completed. The purpose of this report is to estimate the market value of the real property that is the subject of this report for LENDING PURPOSES only. The original report was prepared to assist the lender in making a loan decision and this update is for this same purpose. This appraisal update assumes there have been no significant changes to the subject property since the original appraisal. The ORIGINAL APPRAISAL REPORT and any subsequent APPRAISAL UPDATES (if any) are hereby incorporated into this report, by reference, and **should be relied on only by a reader who is familiar with the original appraisal report and any other prior updates.**

This appraisal update is a:

Limited Appraisal written in Restricted Use format.

Complete Appraisal written in Restricted Use format.

## STATEMENT OF INSPECTION TYPE OF SUBJECT PROPERTY: (please check one of the following)

I have completed an exterior-only inspection of the subject property.

I have completed an interior inspection of the subject property.

I have not inspected the subject property (**NOT acceptable for secondary market requirements.**)

## STATEMENT OF MARKET CONDITIONS: (please check one of the following)

A  I have reviewed market data for the subject property market. There have been no changes in market conditions since the original appraisal (please complete information in line A below).

B  I have reviewed market data for the subject property. Upon review of this data, I have determined that there has been a change in market conditions since the original appraisal (please complete information in line B below).

## STATEMENT OF VALUE OR EXTENSION OF ORIGINAL VALUE OPINION AND STATEMENT OF NEW EFFECTIVE DATE:

A  This appraisal update has been submitted in order to provide an extension of the original value opinion of \$ \_\_\_\_\_ with a new effective date of \_\_\_\_\_. (Sales grid retained in appraiser's work file).

B  This appraisal update has been submitted in order to provide a new value conclusion of \$ \_\_\_\_\_ with a new effective date of \_\_\_\_\_. Please see attached sales grid for the data that was analyzed in arriving at this value conclusion.

C  Personal property has NOT been included in the value of the subject property, with the following exceptions:

\_\_\_\_\_

## ADDENDUM

1. The purpose of the original report was to develop an opinion of market value, in terms of cash or the financing terms equivalent to cash. This is also true for this update. See Statement of Limiting Conditions page for definition of Market Value.
2. The update makes the extraordinary assumption that the current use and highest and best use at the time of this update are the same as at the previously identified time of the original report.
3. This update makes the extraordinary assumption that there have been no significant changes to the subject neighborhood or to the subject property.
4. The following Departures were utilized in the performance of this assignment:
  - a.  The Cost Approach is applicable but not necessary and the client agreed prior to the assignment.
  - b.  The Income Approach is applicable but not necessary and the client agreed prior to the assignment.
  - c.  Other (specify) \_\_\_\_\_ .
5. Note: While the sales comparison approach was considered and a grid was completed, this documentation is retained in the appraiser's work file. Also, any other approaches to value, utilized in the original report, have also been updated and are retained in the appraiser's work file.
6. The Scope of Work for this update includes:
  - a. Receipt of the request from the client.
  - b. Preparing a file or file attachment for a previous file.
  - c. Assembling all previous reports pertaining to this file and reviewing all such files.
  - d. Re-inspecting the subject property, at the level previously declared on page 1 of the Update form.
  - e. Collecting data, the extent of which is the same as in the original report (as previously identified).
  - f. Analyzing all relevant data.
  - g. Preparing a report for the delivery to the client.
  - h. Delivery of the report to the client.

## APPRAISER CERTIFICATION

I certify that, to the best of my knowledge and belief:

-the statements of fact in this report are true and correct.

-the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.

-I have no [or the specified] present or prospective interest in the property that is the subject of this report and no [or the specified] personal interest with respect to the parties involved.

-I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

-my engagement in this assignment was not contingent upon developing or reporting predetermined results.

-my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

-my analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.

-no one provided significant real property appraisal assistance to the person signing this certification.

APPRAISER

SUPERVISORY-APPRAISER (only if required)

Signature: _____	Signature: _____		<input type="checkbox"/> Did	<input type="checkbox"/> Did Not
Name: _____	Name: _____		Inspect Property	
Date Report Signed: _____	Date Report Signed: _____			
State Certification #: _____	State: _____	State Certification #: _____	State: _____	State: _____
Or State License #: _____	State: _____	Or State License #: _____	State: _____	State: _____

**The definition of market value in this report:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of the title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal considerations for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

"\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by the seller as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustments should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the Appraiser's judgement."

The foregoing definition was taken directly from the Statement of Limiting Conditions form (FHLMC form 439 or FNMA form 1004B, both dated 6/93).

### STATEMENT OF LIMITING CONDITIONS

The appraiser's certification that appears in the report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has previously provided any required sketches in the ORIGINAL APPRAISAL REPORT to show the approximate dimensions of the improvements and the sketch is referenced only to assist the reader of the reports in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser will not give testimony or appear in court because he/she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
4. The appraiser has noted in the ORIGINAL APPRAISAL REPORT any adverse conditions (such as, but not limited to, needed repairs, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he/she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, expressed or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
5. The appraiser obtained the information, estimates, and opinions that were expressed in the reports from sources that he/she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
6. The appraiser will not disclose the contents of the reports, except as provided for in the Uniform Standards of Professional Appraisal Practice (USPAP).
7. The appraiser must provide his/her prior written consent before the lender/client specified in the reports can distribute the reports (including the conclusions about the property value, the appraiser's identity and professional designations and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender may distribute the report to data collection or reporting services without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the reports can be conveyed by anyone to the public through advertising, public relations, news, sales or other media.
8. The appraiser has based his/her reports and valuation conclusions for any appraisal that is subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed.
9. The appraiser has based his/her reports and valuation conclusions for an appraisal that is subject to completion, repairs or alterations on the assumption that the completion of the improvements will be performed in a workmanlike manner.

**APPRAISER'S CERTIFICATION: The appraiser certifies and agrees that:**

1. I performed this assignment by (1) personally inspecting the subject, in the manner as stated on page one of this update form; (2) collecting, confirming and analyzing data from reliable public and/or private sources; and (3) reporting the results of my inspection and analysis in the RESTRICTED USE report. I further certify that I have adequate information about the physical characteristics of the subject property and comparable sales to develop this report.
2. I have researched and analyzed the comparable sales and offerings/listings in the subject market area and have reported the comparables deemed to be the best available for the subject property in a sales grid which is retained in the appraiser's work file. I further certify that adequate comparable market data exists in the general market area to develop a reliable sales comparison analysis for the subject property.
3. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the reports. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site or on any site within the immediate vicinity of the subject property of which I am aware, have considered these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them, and have commented about the effect of the adverse conditions on the marketability of the subject property. I have not knowingly withheld any significant information from the reports and I believe, to the best of my knowledge, that all statements in the reports are true and correct.
4. I stated in the reports only my own personal, unbiased and professional analysis, opinions and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
5. I have no present or prospective interest in the property that is the subject of these reports, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the opinion of market value in the report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or the present owners or occupants of the properties in the vicinity of the subject property or on any other bias prohibited by law.
6. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
7. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the assignment. I did not base the report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
8. I estimated the market value of the real property that is the subject of these reports based on the sales comparison approach to value. I further certify that I have considered the cost and income approaches to value and that they too were updated (if completed in the original report). The approaches to value are retained in the appraiser's work file since this is a RESTRICTED USE report.
9. I have performed this assignment as a LIMITED APPRAISAL, subject to the Departure Provision of USPAP that were adopted and promulgated by the Appraisal Standards Board of the Appraisal Foundation and that were in place as of the effective date of this assignment.
10. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value. The exposure time associated with this estimate of market value for the subject property is consistent with the marketing time noted in the ORIGINAL APPRAISAL REPORT, as referenced previously in this report. The marketing period concluded for the subject property at the estimated market value is also consistent with the marketing time noted in the ORIGINAL APPRAISAL REPORT.
11. I personally prepared all conclusions and opinions about the real estate that were set forth in the reports. I further certify that no one provided significant professional assistance to me in the development of this assignment.

APPRAISER

SUPERVISORY-APPRAISER (only if required)

Signature: _____	Signature: _____	<input type="checkbox"/> Did	<input type="checkbox"/> Did Not
Name: _____	Name: _____	Inspect	Property
Date Report Signed: _____	Date Report Signed: _____		
State Certification #: _____	State: _____	State Certification #: _____	State: _____
Or State License #: _____	State: _____	Or State License #: _____	State: _____