**Appendix 7
 Valuation Processing**

**7A. HUD Review Appraiser Scope of Work**

SUBJECT: How the *Uniform Standards of Professional Appraisal Practice*

(USPAP) Relates to HUD Multifamily Appraisals, MAP Lenders,

MAP Appraisers and HUD Review Appraisers

**Purpose**

This memorandum provides direction to HUD Appraisers, Underwriters, and other production staff and managers reviewing applications for multifamily mortgage insurance. It addresses USPAP and appraisals completed for HUD-insured multifamily mortgage applications. The Appraisal Foundation was consulted in the process of preparing this guidance.

**USPAP Background**

The purpose of USPAP is to promote and maintain a high level of public trust in appraisal practice by establishing requirements for appraisers. USPAP is published by the Appraisal Standards Board (ASB) of The Appraisal Foundation. It is revised every two years.

The Appraisal Foundation was formed by major appraisal professional associations in the 1980s as a result of the savings and loan crisis. It is authorized by Congress as the source of appraisal standards and appraiser qualifications. It is not a governmental body and has no enforcement authority.

The Foundation’s activities are monitored and partially funded by a governmental agency known as the Appraisal Subcommittee-Federal Financial Institutions Examination Council, more commonly known as the ASC whose members include representatives of the Federal Reserve System, Office of the Comptroller of the Currency, Federal Housing Finance Agency, Consumer Financial Protection Bureau, Federal Deposit Insurance Corporation, and the National Credit Union Administration. HUD is also a member.

The ASC provides federal oversight of State appraiser regulatory programs and a monitoring framework for the Appraisal Foundation and the Federal Financial Institutions Regulatory Agencies in their roles to protect federal financial and public policy interests in real estate appraisals utilized in federally related transactions.[[1]](#footnote-1) Enforcement of Appraisal Standards (i.e., USPAP) is accomplished by State Regulatory Agencies.

**Applicability of USPAP to HUD/FHA**:

The Department has statutory authority (12 USC 1708(g)) to prescribe standards for the appraisal of all property to be insured by the Federal Housing Administration. Such appraisals shall be performed in accordance with generally accepted standards[[2]](#footnote-2), by individuals who have demonstrated competence and whose professional conduct is subject to effective supervision. Under the MAP Program, HUD relies on the MAP Approved Lender to provide such supervision and their third-party appraisal may be relied upon to meet the statutory requirement. Additionally, the Department requires a USPAP-Compliant appraisal review by a HUD staff appraiser for all high or medium risk transactions.

The HUD Review Appraiser is required to opine on the quality of the appraisal and its reliability for use in underwriting a HUD-insured mortgage. A concurrence with the value or the development of an alternate value is not necessarily required.

USPAP consists of five sections; Definitions, Preamble, Rules, Standards and Standards Rules, and Statements on Appraisal Standards. The ASB also publishes Advisory Opinions, which although are not a part of USPAP, provide illustrations of the applicability of Standards in specific situations and offer advice from the ASB for the resolution of specific appraisal issues and problems. Advisory Opinions 3, 14, and 16 are cited in the MAP Guide.

All of the Rules in USPAP apply to MAP Appraisers and HUD Review Appraisers. They consist of the Ethics Rule, Record Keeping Rule, Competency Rule, Scope of Work, and Jurisdictional Exception Rule.

Ethics Rule. This rule specifies the personal obligations and responsibilities of the individual appraiser as well as an appraiser employed by a group or organization. The Ethics Rule is divided into three sections: Conduct, Management, and Confidentiality. The Department has addressed the issue of confidentiality see Chapter 7.6.M of Chapter 7 ~~the MAP Guide~~. Management is addressed in certification that the review appraiser makes in completing a review assignment.

With respect to conduct, all employees are expected perform assignments with impartiality, objectivity, and independence, and without accommodation of personal interests.

Record Keeping Rule. This rule specifies record keeping procedures for appraisers. The rule does not mandate that an appraiser have possession of assignment work-files. The Department does not permit permanent or personal possession of records relating to a review appraiser’s work. However, the Department retains these records for far more than the time required under USPAP and will, with due process of law, cooperate with appraiser regulatory agencies, professional peer review committees, and to assist obtaining a professional designation.

Competency Rule. This rule essentially states that an appraiser must be competent to perform the assignment, acquire the necessary competency to perform the assignment, or decline or withdraw from the assignment. In all cases, the appraiser must perform competently when completing the assignment. Competency also relates to familiarity with a given market.

Some assignments may raise concerns about the competency requirement. For example, a transaction with a large commercial space/income component, or a transaction in which a project that is far from the HUD review appraiser’s geographic area. A number of our appraisers have extensive commercial experience and can be consulted.[[3]](#footnote-3) The reviewer may be able to obtain sufficient market information from other HUD staff, and on-line HUD and/or commercial sources of data in order to complete their review. In some cases, a site visit and/or additional time might be needed to research an unfamiliar area.

The need to withdraw from an assignment should be rare and HUD review appraisers are expected to work with management in arranging for timely completion of review assignments.

Scope of Work Rule. Scope of Work is essentially problem-solving guidance that includes property identification, extent of inspection, the type and extent of data researched, the kind of analysis needed to arrive at opinions or conclusions. The rule also states that appraisers have broad flexibility and significant responsibility in determining the appropriate scope of work for an appraisal or appraisal review assignment.

According to USPAP, appraisers, including HUD Review Appraisers are responsible for determining the scope of work. However, as an employer who is also the client, the Department may issue guidance as to what is the extent of an assignment for a review appraisal. It is not a violation of USPAP for an appraiser to accept an assignment, in which a limited scope of work is appropriate, so long as the assignment and scope of work are clearly defined, produces credible results and is performed objectively without bias.

HUD Review Appraisers may have to expand the scope of work and do additional research in performing an assignment. The review appraiser should discuss such situations with management in order to determine whether additional work by HUD staff is appropriate, or if the application should be rejected or approved with conditions.

According to USPAP, if relevant information is not available because of assignment conditions that limit research opportunities (such as conditions that place limitations on inspection or information gathering), an appraiser must withdraw from the assignment unless the appraiser can still develop credible assignment results. For example, they may be able to modify the assignment conditions to expand the scope of work to include gathering the information or use an extraordinary assumption[[4]](#footnote-4) about such information.

Workload Sharing arrangements may require HUD Review Appraisers to perform reviews without the benefit of being able to do a physical inspection. The assignment will generally be completed with the review appraiser making certain assumptions, such as the condition to be consistent with the photographs and other reports.

HUD Review Appraisers may be required to provide consultation with Senior Underwriters and other staff who have been asked to review an appraisal. A Frequently Asked Questions grid included in this memorandum discusses tasks which can be accomplished, as well as the level of required USPAP compliance.

Jurisdictional Exception Rule. This rule provides a saving or severability clause intended to preserve the balance of USPAP if compliance with one or more of its parts is precluded by the law or regulation of a jurisdiction. When an appraiser properly follows this Rule in disregarding a part of USPAP, there is no violation of USPAP.

USPAP defines law as including constitutions, legislative and court-made law, administrative rules and ordinances. Regulations include rules or orders having legal force, issued by an administrative agency, such as HUD. This would include Handbooks, Notices, and the MAP Guide. Instructions from an attorney or a client do not establish a jurisdictional exception

The need to take a Jurisdictional Exception should be rare. If it is needed, the appraiser or review appraiser must specifically cite the regulation and the portion of USPAP that is affected. Verbal direction from management is not sufficient to justify an exception. The HUD Review Appraiser must cite a citation from the MAP Guide or other appropriate authority.

**USPAP Standards**

USPAP Standards that are the most applicable to HUD Multifamily are Standard 1- Real Property Appraisal Development, Standard 2- Real Property Appraisal Reporting, and Standard 3- Appraisal Review, Development, and Reporting.

Standard 1. “….. an appraiser must identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analyses necessary to produce a credible appraisal.”

Standard 2. “….In reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading.” This standard also sets forth the required format for the appraiser to certify his/her work.

Standard 3. This standard addresses the substantive aspects of developing a credible opinion about the quality of another appraiser’s work that was performed as part of an appraisal or appraisal review assignment.

This Standard also addresses the content and level of information required in a report that communicates the results of an appraisal review assignment. Standard 3 does not dictate the form, format, or style of Appraisal Review Reports. The substantive content of a report determines its compliance. Like Standard 1, Standard 3 requires the development of a work-file.

When a HUD Review Appraiser changes rents or adjust values, he/she is producing an appraisal and must develop a work-file that complies with Standard 1. Generally, the HUD Review Appraiser is expected to opine on the quality of the appraisal under review and determine whether or not it is suitable for use in underwriting a HUD-insured mortgage.

The Multifamily Hub Director has waiver authority to rely on the Lender's appraisal review without a HUD staff appraiser review. Exercise of such authority may be appropriate for low-risk transactions in which the application is complete and reliable. The appraisal report must be reviewed by a HUD staff member. The staff assigned to this task must have adequate training and must ensure that the appraisal report under review is USPAP-compliant and also follows the requirements outlined in Chapter 7 of this ~~the MAP~~ Guide.

**Conclusion**

HUD Review Appraiser assignments are to be completed in accordance with USPAP and in accordance with workload norms to support production. HUD Review Appraisers are responsible for advising management and documenting their findings and recommendations (including non-concurrences if applicable) as to the acceptability of MAP Lender third party appraisals and applications.

**7.B. HUD Appraiser Review – Review of Appraisal and Market Study HUD Valuation Report –**

**Technical Review of Multifamily Accelerated Processing - Pre-Application Section 220, 221(d)(4) and 231**

This review of appraisal/consulting work product is to be completed in accordance with Standard 3 of the Uniform Standards of Professional Appraisal Practice (USPAP) currently in effect. The reviewer’s client and intended user is the U. S. Department of Housing and Urban Development. The purpose of the review is to ascertain if the appraisal/consulting work product under review meets the applicable requirements of the USPAP and HUD, and that the work product has produced well-supported conclusions that can be relied on for the purpose of making a recommendation to issue, or not issue an invitation to apply for a Firm Commitment for HUD mortgage insurance. The sample format in this Appendix may be used in its entirety, modified by the HUD Review Appraiser to reflect their scope of work on any particular transaction or a field office may use their own format so long as their signature and license number are included and their report is compliant with USPAP.

SAMPLE APPRAISAL REVIEW FORMAT

Month Day, Year

**MEMORANDUM FOR:** Underwriter Name, Senior Underwriter

**THROUGH:** Appraiser

**FROM:** Technical Branch Chief

|  |  |
| --- | --- |
| Name:  |  |
| FHA #: |  |
| SOA: |  |
| Type: | NC or Sub-Rehab or Refi or Acquisition |
| Stage: | Firm or Pre-App |
| #Units: |  |
| Address: |  |
| City: |  |
| County: |  |
| State: |  |

**PROJECT:**

The review of the Project has been completed and the following details the review completed.

**Client and other intended users of the review:**

The client is the United States Department of Housing and Urban Development (HUD), the intended users are HUD staff involved in the FHA mortgage insurance underwriting process, and no others.

**Intended use of the reviewer:**

This assignment is intended to be used for mortgage decision making purposes, and no other use.

**Purpose of the review:**

To determine if the risks associated with the Project are acceptable to HUD. Furthermore, and as a byproduct of the risk determination, the purpose is to determine acceptability of the work under review for use in mortgage insurance underwriting purposes. The reviewer’s opinions and conclusions are limited to the work under review. The review does not include a development of the reviewer’s own opinion of value.

**Hypothetical conditions:**

The work under review (with the exception of the environmental documents) and the review assignment both assume that all necessary property improvements and/or repairs are complete, and that the property is stabilized occupancy as of the effective date of the appraisal.

**Extraordinary assumptions:**

There are no extraordinary assumptions specific to this assignment; however, extraordinary assumptions were contained in the appraisal under review.

**Jurisdictional Exception:**

Per Federal Register Volume 59, Number 190 (Monday, 10/3/1994), FR Doc No: 94-24327, Part XI, Department of Housing and Urban Development, Office of the Assistant Secretary for Housing--Federal Housing Commissioner, 24 Part 200 et al., Appraisals and Property Valuation; Final Rule – (in summary) and OMB Bulletin No. 92-06 - Federal employees who are state-licensed or certified real estate appraisers need only be licensed or certified in one state or territory to perform real estate appraisal duties as Federal employees in all states and territories.

**Scope of work:**

A full or limited scope review was completed for the following:1

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Appraisal2** | **Market Study** | **EMAD** | **Underwriting3** | **Phase I4** |
| [ ] Full | [ ] Full | [ ] Full | [ ] Full | [ ] Full |
| [ ] Limited | [ ] Limited | [ ] Limited | [ ] Limited | [ ] Limited |
| [ ] None | [ ] None | [ ] None | [ ] None | [ ] None |

*1 – The review would incorporate and include any and all follow-up or additional information submitted after the application submission and prior to the completion of this review.*

*2 – the ownership interest in the work under review is Fee Simple.*

*3 – Includes all other environmental reports (i.e. Phase II, various O&M Plans, etc.).*

*4 – Includes lender’s narrative, forms (i.e. 92264), and any other information supplied by the lender.*

Work under review:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Work | Person Completed | Date of Report | Date of Site Inspection | Effective Date |
| Appraisal |  |  |  |  |
| Market Study |  |  |  |  |
| EMAD |  |  |  |  |
| Phase I |  |  |  |  |
| Underwriting |  |  |  |  |

As part of the review process the following has occurred:

|  |  |
| --- | --- |
| [ ] I have[ ] I have not | Inspected the Project (consists of site, neighborhood, and improvements if applicable).  |
| [ ] I have[ ] I have not | Inspected a sampling of the comparables (consists of random sampling of rent, expense, land sale, and improved sale comparables). |
| [ ] I have[ ] I have not | Conducted any additional research (consists of iREMS, OPPIS, REIS, other HUD available data, external websites, market professionals). |
| [ ] I have[ ] I have not | Other: N/A |

The topics reviewed have been identified in the left most column and the remaining columns summarize the conclusion(s) of the review completed. A narrative follows that that covers the critical pieces and will assist in the mortgage decision making process:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Review Topic | Acceptable | Not Acceptable | Mitigation Recommended | Mitigation Required | NotApplicable |
| Market Study and/or Appraisal |
| [ ] Improvements | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Rent Structure | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Location | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Waivers | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Housing Market Area (“HMA”) | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Economics and Demographics | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Competition/Comparables | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Pipeline | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Target Market | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Demand (including commercial) | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Absorption | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Initial Operating Deficit | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] EMAD’s Review | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ]  Other – Modify OR Delete Text | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Appraisal |
| [ ] Sales Comparison Approach | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Land Comparison Approach | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Remaining Economic Life | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Cost Approach | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Income Approach | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Rents (including commercial) | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Other Income | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Vacancy (including commercial) | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Expenses (including commercial) | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] NOI | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Capitalization Rate | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Value | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Reconciliation of Value | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Review Topic | Acceptable | Not Acceptable | Mitigation Recommended | Mitigation Required | NotApplicable |
| Appraisal Continued |
| [ ] Debt Service Analysis | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Rents (including commercial) | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Other Income | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Vacancy (including commercial) | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Expenses (including commercial) | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] NOI | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Tax Abatement | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Ground Lease | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ]  Other – Modify OR Delete Text | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Underwriting |
| [ ] Underwriting | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Rents (including commercial) | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Other Income | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Vacancy (including commercial) | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] Expenses (including commercial) | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ] NOI | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| [ ]  Other | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |

**Waivers:**

*(Discuss any waivers that would be in the prevue of the HUD appraiser and provide a recommendation for approval or not.)*

Type waiver narrative

**Market Narrative:**

*(For all project types: Describe the primary market area; demographic, economic and market trends; and demand. Also, discuss the subject property in relation to the competing properties in the PMA and discuss the status of the overall sub-market.*

*For New Construction or Sub Rehab: Describe the material variances between the Market Study and EMAD; specifically address the differences in the conclusions of the two reports and the reasons for conclusions contained in this review. Also, discuss lease-up projections, including the Absorption Period and Rate, Penetration Rate, and Capture Rate.*

*Generally, the narrative section should not exceed 1 ½ pages, the bulleted strength and weaknesses sections should typically contain 2 to 4 bullets respectively and be the most important market related strengths or weaknesses.*

*The objective of the review is not to summarize the appraisal, market study, and or the underwriting [including the lender’s narrative]. The objective is to provide a recommendation and provide the insight as to why the recommendation was made. For example, why is the market acceptable or not acceptable.)*

Type market narrative

**Market Strengths:**

* Type market strengths
* Type market strengths
* Type market strengths
* Type market strengths

**Market Weaknesses:**

* Type market weaknesses
	+ Type mitigants if applicable
* Type market weaknesses
	+ Type mitigants if applicable
* Type market weaknesses
	+ Type mitigants if applicable
* Type market weaknesses
	+ Type mitigants if applicable

**Valuation Narrative:**

*(Discuss all of the following that are applicable for the project type: Discuss the land value analysis, cost approach, sales comparison approach, income approach to value [be sure to discuss the income, vacancy, expenses, and capitalization rates in the income approach to value discussion], reconciliation of value, and debt service analysis [be sure to discuss the income, vacancy, and expenses in the debt service analysis discussion]. Furthermore, be certain to discuss any differences between the appraisal and the underwriting, in regard to the value and debt service analysis, and provide an indication if the differences in the underwriting are acceptable or not. Also, be sure to discuss tax abatements, ground leases, IOD’s, or any other topic [i.e. remaining economic life] where a concern may exist, if applicable.*

*Generally, the narrative section should not exceed 1 ½ pages, the bulleted strength and weaknesses sections should typically contain 2 to 4 bullets respectively and be the most important value related strengths or weaknesses.*

*The objective of the review is not to summarize the appraisal, market study, and or the underwriting [including the lender’s narrative]. The objective is to provide a recommendation and provide the insight as to why the recommendation was made. For example, why are the rents acceptable or not acceptable.)*

Type valuation narrative

**Valuation Strengths:**

* Type valuation strengths
* Type valuation strengths
* Type valuation strengths
* Type valuation strengths

**Valuation Weaknesses:**

* Type valuation weaknesses
	+ Type mitigants if applicable
* Type valuation weaknesses
	+ Type mitigants if applicable
* Type valuation weaknesses
	+ Type mitigants if applicable
* Type valuation weaknesses
	+ Type mitigants if applicable

**Environmental Narrative:**

*(Discuss all Reportable Environmental Conditions and discuss the mitigation plan for each. Also, discuss any other environmental issue or concern such as radon, LBP, asbestos, towers, wet lands, noise, adjacent site concerns, ground water flow, flood plains, etc. and any mitigation plan or processes undertaken [i.e. Section 106 process, 8-step Process, O&M Plan, etc.] to mitigate the issue or concern. The narrative section should focus on the conclusion drawn and any prominent concerns.*

*Generally, the narrative section should not exceed 1 page, the bulleted strength and weaknesses sections should typically contain 2 to 4 bullets respectively and be the most important environmental related strengths or weaknesses.*

*The objective of the review is not to summarize the Phase I and or the underwriting [including the lender’s narrative]. The objective is to identify any environmental concerns and discuss the mitigants. For example, there are noise concerns, but all interior space and common area exterior space has been mitigated to below acceptable levels.)*

|  |  |
| --- | --- |
| Environmental consultant’s name |  |
| Date of Assessment |  |
| Report complete? |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Potential Hazards | Acceptable? | RECs? | Mitigation or O & M Plan Required5? |
| Yes | No | Yes | No | Yes | No |
| Environmental setting | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Airport Hazards | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| CBRS | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Flood Insurance | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Air Quality | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| CZM | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Contamination and Toxic Substances | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Endangered Species | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Explosive and Flammable Hazards | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Floodplain Management | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Historic Preservation | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Noise | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| SSA | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Wetlands | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Wild and Scenic Rivers | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Lead-Based Paint | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Asbestos | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Radon | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Environmental Justice | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |

5*If mitigation or an O&M plan is required or occurred, provide a discussion below.*

Type environmental narrative

**Environmental Strengths:**

* Type environmental strengths
* Type environmental strengths
* Type environmental strengths
* Type environmental strengths

**Environmental Weaknesses:**

* Type environmental weaknesses
	+ Type mitigants if applicable
* Type environmental weaknesses
	+ Type mitigants if applicable
* Type environmental weaknesses
	+ Type mitigants if applicable
* Type environmental weaknesses
	+ Type mitigants if applicable

**Certification:**

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

* The statements of fact contained 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 present or prospective interest in the property that is the subject of the work under review and no personal interest with respect to the parties involved.
* I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
* I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
* My engagement in this assignment was not contingent upon developing or reporting predetermined results.
* My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
* My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
* My analyses, opinions, and conclusions were developed, and this review report was prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
* I have (have not) made a personal inspection of the subject of the work under review.
* No one provided significant appraisal or appraisal review assistance to the person signing this certification.

|  |  |
| --- | --- |
| Substantive Review Appraiser Signature: |  |
| Substantive Review Appraiser Name: |  |
| State and Certification Number: |  |
| Certification Date: |  |

Adapted from USPAP 2016-2017 Edition

End of Attachment.

1. Although it is possible that some HUD-insured mortgages may not technically be federally related, there is a statutory requirement for the Department to evaluate collateral using licensed or certified appraisers. This requirement can be met through the use of either licensed staff appraisers or third-party appraisers. [↑](#footnote-ref-1)
2. Statue cites, “…in accordance with generally accepted appraisal standards, such as the appraisal standards promulgated by The Appraisal Foundation. [↑](#footnote-ref-2)
3. There may be times when consulting other appraisers rises to the level of “significant appraisal review assistance” and the name of the person providing that assistance must be stated in the certification [↑](#footnote-ref-3)
4. Extraordinary Assumption - an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. [↑](#footnote-ref-4)