

Appraisals Explained

Your Complete Guide to the Appraisal Process

"Appraisals are an important part of the mortgage process but can be confusing and hard to figure out. This ebook is anything but confusing. You'll get smart on appraisals fast."

- Ty Pennington

Guaranteed Rate's Spokesperson and
host of Extreme Makeover: Home Edition



The Home Purchase ExpertsSM

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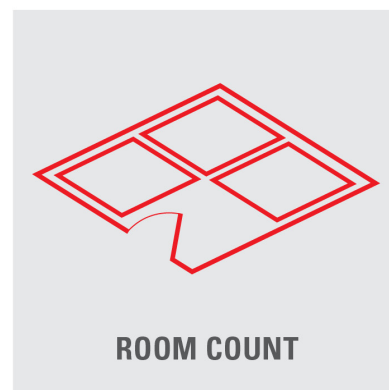
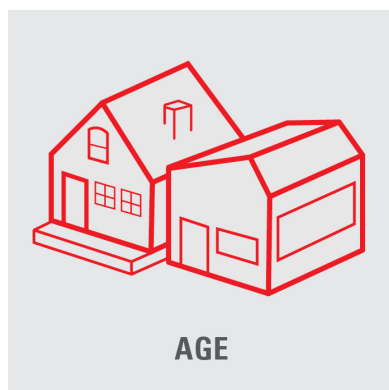
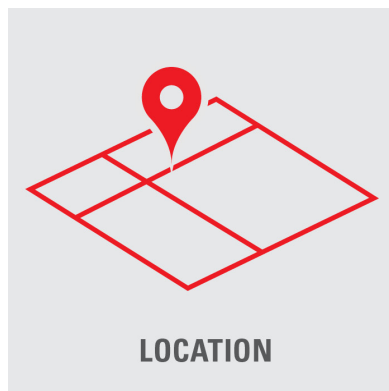
Why an eBook on Appraisals?

This eBook was designed to provide you with a consumer-friendly guide to reading and understanding your home's appraisal. [Guaranteed Rate](#) believes it's your loan, it's your home and you should not be left in the dark about any part of the process.

Let's first begin by getting clear on home value basics.

What is an appraisal?

- An appraisal is a report which offers an opinion of your property's value, at a specific point in time, based on specific elements.
- Your appraisal report is an integral part of any mortgage transaction as it is the appraisal which assigns value to your home, protects you from paying more than the home is worth and protects the lender from lending more than the property is worth.
- Your appraisal report not only includes the appraiser's final opinion but the elements that determine it, including:



A common misconception is the value of your home is dependent on the high-end appliances or newly laid sod. The truth of the matter is, while those things add curb appeal, an appraisal is based on stable value-generating features.

Location: You've all heard "location, location, location". This is not only true when purchasing, but continues to play a role in your home's value. When an appraiser attaches value to your home, a beach view versus a highway view will translate into a significant difference in your home's worth.

Square Footage: The bottom line, more square feet of living space translates into more value.

Age and Condition: Your home will be compared to other similar aged homes in your town. While the age of your home impacts your value, recent renovations (i.e., new plumbing, electrical, windows, roof etc.) will change your home's effective age. For example, your home may be 20 years-old, but your recent renovations may give your home an effective age of five years.

Room Count: "Legal" bedroom and bathroom count matters. What is meant by legal? An example: A bedroom without a closet is not considered or counted as an actual bedroom.

Other appraisal report elements will be discussed later in this eBook.

How much will my appraisal cost?

Appraisal fees vary from state to state and are impacted by the type of home (e.g., single family, duplex, triplex etc.) and value of the home. For example, an appraisal for a single family home valued under \$1 million in the Midwest will range from \$275 to \$425. An appraisal for this same single family home on the East Coast can cost up to \$650.

Prior to ordering your appraisal you should confirm the cost with your [mortgage professional](#).

Who is an appraiser and what does he/she do?

A real estate appraiser is an educated, well-trained professional who estimates the value of a home using industry expertise, experience, market research, and public records—all while following Federal and state laws and lender guidelines.

There are various types of licenses or certifications an appraiser can attain; the type of license will determine the type of property an appraiser is qualified to inspect. According to the [Appraisal Foundation](#), the available licenses, or certifications are:

Licensed Residential Real Property Appraiser: Qualifies an appraiser to inspect a single family home, duplex, triplex and multi-family home up to \$1 million in value.

Certified Residential Real Property Appraiser: Qualifies an appraiser to inspect a single family home, duplex, triplex and multi-family home with no limit on value.

Certified General Real Property Appraiser: Qualifies an appraiser to inspect any type of home or housing complex and commercial property (e.g., strip mall, car wash, grocery store etc.) with no limit on value.

Licensing and education requirements vary from state to state. For example, some states demand more classroom hours and others require less.

Why does my lender (or bank) need my home value?

Whether you are refinancing or buying an appraisal will be part of your mortgage process. The reason for this is, your current or future home acts as collateral in exchange for your mortgage loan.

If you are refinancing, it is your home's value which determines your maximum approvable loan amount.

If you are purchasing, in order to lend money the bank needs to be sure your home is worth at least as much as the purchase price. Your bank considers the true value of a home to be the lesser of the sales price of the appraised value.

Once your lender has your home's value, your loan-to-value (what you owe versus what your home is worth) can be determined. It is your loan-to-value, along with your [credit score](#) and [debt-to-income](#) ratio, which will determine how your mortgage will be structured.

How do I obtain my appraisal?

Your mortgage professional will order your home appraisal by submitting a request to an appraisal management company (AMC).

Upon receipt of the order, the AMC will forward the order randomly to one of its on-staff or contracted appraisers. If you are [refinancing your home](#), the appraiser will contact you directly. If you are purchasing a new home, the inspection will be scheduled with the [real estate agent](#) listing the property.

You are entitled to a copy of your appraisal so be sure and ask your mortgage professional for a copy.

Finally, banks and mortgage companies are restricted from having any affiliation or communication with an appraiser or appraisal company involved in your mortgage transaction. This process ensures you are provided with the most accurate home value and the lender will receive an objective opinion of value.

Are there different types of appraisals?

While there are many types of appraisals, the two most common are: a full appraisal and a drive-by appraisal.

More often than not your lender will require a full appraisal; this requires an inspection of the inside of your home (or future home). There are, however, some cases when the lender will require a drive-by, or exterior only, appraisal.

Let's take a look at the differences:

Full Appraisal

A full appraisal consists of a full inspection of the interior and exterior of your home (or future home). An experienced appraiser will take notes, photos, measure and ask a lot of questions about your home, such as:

- Have you made any recent improvements?
- Have you listed the property for sale in the last 12 months?

What is Equity?

Equity is the difference between what you owe (your mortgage balance) and what your home is worth (your value). For example, if you owe \$200,000 and your home is worth \$250,000, the \$50,000 difference is the equity in your home.

- Do you have a [plat of survey](#) I can see?
- Is there a homeowners association?

Drive-by Appraisal

A drive-by appraisal is one in which the appraiser simply needs to inspect the exterior of your home. This is typically acceptable to your lender if you are refinancing and have at least 30 percent equity in your home. An appointment will not be made as no entry to your home is necessary.

Upon completion of the home inspection, an appraiser must conduct extensive market research, while being mindful of [Fannie Mae](#) and [Freddie Mac's](#) reporting guidelines as well as Federal and state regulations.

What if my value isn't what I expected?

When your home's value is much less than expected it can stop your purchase or refinance transaction in its tracks. If you find yourself in this position you first need to take a deep breath, request a copy of the appraisal report and begin combing through your report to ensure all of the facts are indeed accurate (keep reading and you'll learn about where to find those potential errors).

What are my options if I am buying a home and the appraised value is less than the agreed upon purchase price?

Once you have confirmed the information contained in your appraisal is accurate you can:

- Renegotiate the purchase price with the seller;
- Walk away from the deal; or
- Pay down the difference. If you choose to pay down the difference, you will be paying down the difference between the sales price and the value, in addition to your down payment.

When purchasing a home, it is strongly suggested that your agent include a clause in the contract which states the validity of the contract is contingent upon the home appraising for the purchase price. This will ensure you are able to walk away from the contract with no penalty should the home appraise for less than the purchase price.

What if I am buying a home and the value comes in where it should?

Celebrate! Then focus on the next milestone in your mortgage.

What can I do if my low appraised value threatens my ability to refinance?

1. Take a deep breath and review your appraisal for any errors.
2. If you find errors, speak with your mortgage professional about an appraisal reconsideration. A reconsideration will force the appraiser to correct the errors and possibly review additional comparables you can provide. Higher value **comparables** that have recently sold in your area can have an impact on your value (yup you will learn about this too... keep reading).

If you have not found any errors and the appraisal contains solid information, you can request that your mortgage professional order another appraisal report. If after a second appraisal your value is still too low, ask your mortgage professional about other potential refinancing options.



Comparable:

A similar home in your area. Also known as a "comp".

What if my appraisal comes in lower than I expected but I am still able to complete my refinance?

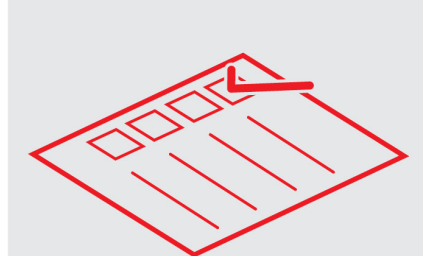
Celebrate! Remember, this is about enabling you to get the mortgage loan you want; don't be offended. Provided you can still complete the refinance, get the rate you want and pay a reasonable price, sit back and leave the rest of the work to your mortgage professional.

Your Appraisal Dissected

In the next several pages you will learn:



To identify key areas of your home appraisal that impact your home value.



What you can expect in each of these areas.

While there is no standard appraisal template or form, Fannie Mae and Freddie Mac have created a report template which is most commonly used throughout the industry for several different property types.

The form used differs slightly based on property type, but the order of the information on each appraisal report is the same. Below are the most common property type appraisal templates or forms:

- **Uniform Residential Appraisal Report** is used for single family homes and multi-family homes.
- **Individual Condominium Unit Appraisal Report** is used for condo units only.
- **Manufactured Home Appraisal Report** is used for manufactured homes only.

[See full page sample](#)

Page One

The first page contains specific information about your home or condo building and neighborhood such as:

- The address and legal description of your home.
- The tax or homeowners assesment history.
- The agreed upon sales price, if you are buying.
- Details about your home such as the size, zoning, access to utilities and flood-zone information.

You should confirm the information provided on the report is accurate.

Now let's take a look at the key elements used when estimating a home's value

Sell full page sample

Page Two

You will notice this page has three sections:

- Sales Comparisons
- Income
- Reconciliation

The sales comparison section will show your home and the three comparables chosen to support the value given to your home along with a summary (remember comparables are similar homes that have sold in your area).

Sales Comparisons

Income

Reconciliation

Summary Appraisal Report											
Individual Condominium Unit Appraisal Report											
File # H11-0536											
There are 43 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 95,000 to \$ 289,900											
There are 44 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 75,000 to \$ 287,500											
FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3			
Address and Unit #	1234 Pebble Cr #13	234 Apple Dr #2N			345 Main St #4N			456 Thomas Rd #4N			
Project Name and Phase	Hamp Phase 1	Hamp Phase 1			Hamp Phase 1			Talbots Phase 1			
Proximity to Subject		.61 Mile Southeast			.15 Mile South			2.55 Miles Southwest			
Sale Price	\$ Refinance	\$ 199,000			\$ 189,000			\$ 202,500			
Sale Price/Gross Liv. Area	\$ N/A sq ft	\$ 121.27 sq ft			\$ 127.88 sq ft			\$ 147.06 sq ft			
Data Source(s)		MLS #			MLS #			MLS #			
Verification Source(s)		Assessor/CCRD			Assessor/CCRD			Assessor/CCRD			
VALUE ADJUSTMENTS	DESCRIPTION	ADJUSTMENT			ADJUSTMENT			ADJUSTMENT			
Sale of Financing		Arml./h			Short			Arml./h			
Concessions		Conv.0			Cash.0			Conv.0			
Date of Sale/Time		s08/11:c07/11			s08/11:c07/11			s04/11:c03/11			
Location	N;Res:	N;Res:			N;Res:			N;Res:			
Leasehold/Fee Simple	Fee Simple	Fee Simple			Fee Simple			Fee Simple			
HOA Mo. Assessment	197	147			210			200			
Common Elements	Greens	Greens			Greens			Greens			
and Rec. Facilities	Entries/Exits	Entries/Exits			Entries/Exits			Entries/Exits			
Floor Location	1	1			1			1			
View	N;Res:	B;Glfw;Res			-2,200 B;Glfw;Res			-2,500 N;Res:			
Design (Style)	TH/Condo	TH/Condo			TH/Condo			TH/Condo			
Quality of Construction	Q4	Q4			Q4			Q4			
Actual Age	22	28			25			21			
Condition	C3	C3			C3			C3			
Above Grade		Total	Bdms	Baths	Total	Bdms	Baths	Total	Bdms	Baths	
Room Count		7	3	2.1	7	3	2.1	6	2	2.1	
Gross Living Area		+1,586 sq ft			+1,641 sq ft			+1,478 sq ft			
Basement & Finished	0sf	0sf			0sf			0sf			
Rooms Below Grade	0r0br0.0ba0o	0r0br0.0ba0o			0r0br0.0ba0o			0r0br0.0ba0o			
Functional Utility	Typical	Typical			Typical			Typical			
Heating/Cooling	F-Air/CAC	F-Air/CAC			F-Air/CAC			F-Air/CAC			
Energy Efficient Items	Typical	Typical			Typical			Typical			
Garage/Carport	1 Car Garage	2 Car Garage			-3,000 1 Car Garage			1 Car Garage			
Porch/Patio/Deck	Porch/Patio	Porch/Patio			Patio			Patio			
Mdnzn/Upgrd	Average	Average			Avg(+)/Bath			-5,000Gd/Updates			
Fireplace	1 Fireplace	1 Fireplace			No Fireplace			+1,000 1 Fireplace			
Net Adjustment		+ X - \$ -200			+ X - \$ -3,800			+ X - \$ -2,300			
Adjusted Sale Price		Net Adj. 0.25%			Net Adj. 2.01%			Net Adj. 1.14%			
OT Comparables		Gross Adj. 5.28%			Gross Adj. 5.93%			Gross Adj. 6.27%			
Summary of Sales Comparison Approach		All sales were arms-length transactions and all sold through a realtor via a public listing in the MLS of Northern Illinois. All information pertaining to the physical characteristics of the comparable properties is provided by the Listing Agents, MLS listing sheets, the Cook and Lake County Assessor's Offices. Please note in order to provide one comparable sale located outside of the subject's development, it was necessary to expand the comparable sale search beyond a one mile radius (sale 3). This could not be avoided as there are no similar townhomes situated outside of the subject's development that are less than one mile distant. However, no location adjustment is warranted as this sale is located in similar, competing development with homes of like construction quality, age, condition and appeal as units found in the subject's development and more immediate vicinity. Sale 2 required a downward adjustment for its remodeled master bathroom and sale 3 required a downward adjustment for its superior degree of recent updates. See additional comments.									
Indicated Value by Sales Comparison Approach		\$ 193,000									
INCOME APPROACH TO VALUE (not required by Fannie Mae)											
Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier = \$ 0 Indicated Value by Income Approach N/A											
Summary of Income Approach (including support for market rent and GRM) Insufficient data was available to compute the income approach as most of these properties are purchased by an owner/user and the income production is not the major consideration.											
Indicated Value by Sales Comparison Approach		\$ 193,000									
Income Approach (if developed)		\$ 0									
The cost approach not applicable due to condominium ownership. Insufficient data was available to compute the income approach as most of these properties are purchased by an owner/user and the income production is not the major consideration. Thus, most emphasis was placed on the sales comparison approach since it most readily reflects the behavior between buyers and sellers within this market place.											
This appraisal is made "X" "as is", subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair.											
The subject is fully completed in all respects and requires no repairs or modifications (appraisal is made "as-is").											
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 193,000 as of 10/15/2011, which is the date of inspection and the effective date of this appraisal.											

Your Home

Now let's take a look at the home features of interest and how they impact your home's value:

Location – The direction your home faces impacts your value.

Floor Location (condos only) – Believe it or not, the floor on which your home is located makes a difference; the higher the floors are more valuable (remember, location, location, location).

Actual Age – This is the age of your home.

Room Count – The number of bedrooms and bathrooms.

Gross Living Area – This refers to the actual square footage of your living space. Basements, finished or not, are not a part of the gross living area calculations.

Heating/Cooling – Central heating and cooling versus radiators and no air conditioning – yes it makes a difference. The newer the system, the greater the value.

Garage, Carport or Parking Spot – Is your parking covered or an outdoor spot, maybe a car port or an actual garage?

Porch/Patio/Deck – Do you have a small patio or an 800 square foot deck?

FEATURE	SUBJECT
Address and Unit #	1234 Pebble Cr #1N
Project Name and Phase	Hamp Phase 1
Proximity to Subject	
Sale Price	\$Refinance
Sale Price/Gross Liv. Area	\$N/A sq. ft.
Data Source(s)	
Verification Source(s)	
VALUE ADJUSTMENTS	DESCRIPTION
Sale or Financing Concessions	
Date of Sale/Time	
Location	N;Res;
Leasehold/Fee Simple	Fee Simple
HOA Mo. Assessment	197
Common Elements and Rec. Facilities	Greens Entries/Exits
Floor Location	1
View	N;Res;
Design (Style)	TH/Condo
Quality of Construction	Q4
Actual Age	22
Condition	C3
Above Grade Room Count	Total Bdms. Baths 7 3 2.1
Gross Living Area	+1,586 sq. ft.
Basement & Finished Rooms Below Grade	0sf 0rr0br0.0ba0o
Functional Utility	Typical
Heating/Cooling	F-Air/CAC
Energy Efficient Items	Typical
Garage/Carport	
Porch/Patio/Deck	Porch/Patio
Mdmztn/Upgrd	Average
Fireplace	1 Fireplace
Net Adjustment (Total)	
Adjusted Sale Price Of Comparables	

— **Your Home**

→ Now let's look at the adjusted sales price.

Adjusted Sales Price

Here we will take a look at feature adjustments and how they impact your value (i.e., location, age, room count, square footage, heating/cooling etc.).

When reviewing each column you will notice the sale price of each comparable followed by the addition or subtraction of each adjustment.

Here's how it works: If your home has three bedrooms and the comparable has two bedrooms, the comparable will receive a positive adjustment. The positive adjustment will increase the comparable's value as if the comparable had a third bedroom. The idea here is to build a comparable that is more similar to your home through the use of adjustments.

When a feature is adjusted, either added or subtracted, the adjustment impacts the sales price of that comparable, which creates an adjusted sales price.

It is this adjusted sales price which is used to support the value of your home.

Sample Comparable:

COMPARABLE SALE # 1			
234 Apple Dr			
#2N			
Hamp			
Phase 1			
.61 Mile Southeast			
			\$199,000
Sales Price			
\$121.27	sq. ft.		
MLS #			
Assessor/CCRD			
DESCRIPTION	+(-) \$ Adjustment		
ArmLth			
Conv;0			
s08/11;c07/11			
N;Res;			
Fee Simple			
147			
Greens			
Entries/Exits			
1			
B;Glfvw;Res			-2,200
TH/Condo			
Q4			
28			
C3			
Total	Bdrms	Baths	
7	3	1.1	+5,000
			+1,641 sq. ft.
0sf			
0rr0br0.0ba0o			
Typical			
F-Air/CAC			
Typical			-3,000
Porch/Patio			
Average			
1 Fireplace			

Adjustments

The following two adjustment percentages are located at the bottom of each comparable column.

Net Adjustment

The Net Adjustment represents the relationship between the negative and positive adjustments per comparable. Let's take a look at the math:

- The difference between the negative and positive adjustments (see Sample Comparable image) is -\$200. You will see this below in the "Net Adjustment (Total)" row.
- Next we will divide the comparable's Net Adjustment of \$200 by the sales price; the Net Adjustment is treated as a positive number.
- $\$200/\$199,000 = 0.10\%$ Net Adjustment

Gross Adjustment

The Gross Adjustment represents the overall adjusted percentage per comparable. Let's do the math:

- First, add all of the adjustments as positive numbers: $\$2,200 + \$5,000 + \$3,000 = \$10,200$
- Next, divide the sum of the adjustments by the comparable's sales price.
- $\$10,200 / \$199,000 = 5.13\%$ Gross Adjustment

Porch/Patio/Deck	Porch/Patio	Porch/Patio		
Mdrnztn/Upgrd	Average	Average		
Fireplace	1 Fireplace	1 Fireplace		
Net Adjustment (Total)			+ X - \$	-200
Adjusted Sale Price		Net Adj.	0.10%	
Of Comparables		Gross Adj.	5.13%	\$ 198,800

Net Adjustment Total

Net Adjustment and Gross Adjustment

Interesting Appraisal Fact:

A half bath, formerly counted as .5, is now counted as .1. So if you have a two and a half bath home, it will read 2.1 on your appraisal report.

When the adjustments exceed 15 percent net and 25 percent gross, it sends a red flag to the underwriter (and your loan officer) that the appraiser's choice of comparable may not be similar enough to use. While adjustments need to be made to comparables, there must first be a reasonable similarity between your home and the comparable.

Let's look at some requirements appraisers must adhere to when looking for comparables in your area. Lenders take these requirements very seriously and will scrutinize and question any comparable included in an appraisal report which falls outside of the following:

- A comparable must be located within a one mile radius of the subject property (your home) in an urban environment, two mile radius in a suburban environment and three mile radius in a rural environment.
- The comparable must have sold within three to six months of the date of your appraisal.
- The appraiser must not exceed your area's bracketed value. The bracketed value is the highest valued comparable in your area; remember a comparable is a home that is similar to yours.

You might wonder how values increase with the bracket limit in place?

As remodeled, rehabilitated or new homes arrive on the market, appraisers will be challenged to find comparables which accurately reflect the value of the property; this will force the appraiser to value a home at a higher value (out of the required bracket). When this occurs, the appraiser must provide an addendum with an explanation of the higher value along with photos. This new higher value for this particular home will be the new bracketed value.

There are exceptions made to these rules but they are rare. In some situations, there may be a shortage of recent sales within the required proximity to your home. If this is the case, the appraiser will be forced to find comparables farther out than the required radius and make a note of this in the sales comparison section of the appraisal.

Let's take a look at the three approaches an appraiser can use when determining your home's value:

Sales Comparisons

Income	I	INCOME APPROACH TO VALUE (not required by Fannie Mae)
	N	Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier = \$ 0 Indicated Value by Income Approach N/A
	O	Summary of Income Approach (including support for market rent and GRM) Insufficient data was available to compute the income approach as most of these properties are purchased by an owner/user and the income production is not the major consideration.
	M	Indicated Value by: Sales Comparison Approach \$ 193,000 Income Approach (if developed) \$ 0
	E	The cost approach not applicable due to condominium ownership. Insufficient data was available to compute the income approach as most of these properties are purchased by an owner/user and the income production is not the major consideration. Thus, most emphasis was placed on the sales comparison approach since it most readily reflects the behavior between buyers and sellers within this market place.
	R	
	E	
	C	
	O	
	N	
Reconciliation	C	
	I	
	L	
	I	
	A	This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:
	T	The subject is fully completed in all respects and requires no repairs or modifications (appraisal is made "as-is").
	I	Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 193,000, as of 10/15/2011, which is the date of inspection and the effective date of this appraisal.
	O	
	N	
	I	

Income Approach

When using the income approach, an appraiser will value a home based on its ability to generate income. This approach is not typically used for single family homes as income generation is usually not the purpose of this type of home. Typically single family homes are purchased by owner occupants.

Cost Approach

The cost approach is not required by Fannie or Freddie and typically not used as it requires the appraiser to determine depreciation of the home itself along with all of its components (e.g., bathroom, bedrooms, kitchen etc.). This method can produce wildly differing home values as an appraiser's opinion regarding the depreciation of any home and its features is subjective.

Sales Comparison Approach

With the use of comparables, the sales comparison approach most accurately reflects the actions of typical buyers and sellers in your town.

While every appraiser must consider each of these methods, the most commonly used method is the sales comparison approach as it offers the most accurate value based on the movement of the market and the attitude of buyers and sellers.

The Reconciliation section you see just below the Income Approach section will contain appraiser comments regarding the approach he/she used and why. Additionally, the appraiser is required to comment on his/her consideration of other approaches and why those approaches were not appropriate.

Additional comments by the appraiser can be found on page four in the appraiser's Scope of Work. This section details answers to questions all appraisers must answer when compiling any appraisal report:

What did you do?

Why did you do it?

How did you do it?

The remainder of the report can contain:

- Additional comparables which are typically home listings in your town. These additional comparables can assist the appraiser support your value and give the underwriter a glimpse into the health of your home's market area. These additional listing comparables can typically be found on page seven after the appraiser's comments.
- An aerial map which shows the location of your home and the comparables the appraiser used.
- A sketch of your home's floor plan.
- Boiler plate verbiage relating to industry regulation, a copy of the appraiser's license and an invoice.

How can I best prepare for an appraisal inspection?

While there is no way to pre-set your home's appraisal value, there are steps you can take to ensure the most accurate value.

1. Meet with your appraiser during the inspection and share information about recent sales, short sales or foreclosures in your area.
2. The appraiser should be taking notes, asking pertinent questions and taking pictures.
3. Provide a punch-list of recent improvements or remodeling.
4. If you have a copy available, provide a the plat of survey or floor plan for your home.
5. Small updates or improvements from new paint on the walls to repairing a minor crack in the ceiling can help give your home a fresh look.
6. While no dollar amount can be given for a tidy home it's always best to show the appraiser the best attributes of your home.

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