

Flexibilities Guide: Permissible Appraisal Requirements During COVID-19 (through May 17, 2020)

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Suggested addenda language to include when using third party data (modified 1004/70, 2055) Use of third-party data and lack of actual personal visual inspection by the appraiser might have affected the assignment results.

GSEs		
Mortgage Purpose	Permissible Appraisals	Forms - Fannie Mae/Freddie Mac
Purchase Transaction	Interior and exterior inspection appraisal, desktop appraisal or exterior-only appraisal	1004/70, 1004/70 with modified SOW/Desktop Cert, 2055 (or 1075) with appropriate modified exterior certification
Condo Purchase Transaction	Interior and exterior inspection appraisal, desktop appraisal or exterior-only appraisal	Form 1073/465, 1073/465 with modified SOW/Desktop Cert, or 1075/465 with modified Exterior certification
Second Homes	Interior and exterior inspection appraisal	1004/70 (or other appropriate interior/exterior form)
New Construction	Interior and exterior inspection appraisal, desktop appraisal or exterior-only appraisal	1004/70, 1004/70 with modified SOW/Desktop Cert, 2055 with appropriate exterior certification
2-4 Family/Duplex	Small Residential Income Property Appraisal Report	Form 1025/72, Form 1025/72 with Modified SOW/Desktop Cert or 1025/72 with Modified Exterior certification
Refinances		
No cash-Out Refinance	Interior and exterior inspection appraisal or exterior-only inspection (GSE held loans)	1004/70, 2055 with appropriate exterior certification
Cash-out Refinance	Interior and exterior inspection appraisal	1004/70 (or other appropriate interior/exterior form*)
Construction Conversions	Interior and exterior inspection appraisal	1004/70 (or other appropriate interior/exterior form*)
Renovation	Interior and exterior inspection appraisal	1004/70 (or other appropriate interior/exterior form*)
Construction	Interior and exterior inspection appraisal	1004/70 (or other appropriate interior/exterior form*)
		* 2-4 Family/Duplex utilizes 1025/72 with Modified SOW/Desktop certification or 1025/72 with Modified Exterior certification
		Fannie Mae Lender Letter 2020-04
		Freddie Mac Bulletin 2020-8
FHA		
Mortgage Purpose	Permissible Appraisals	Forms
FHA Purchase Transactions		
Forward Transaction	Interior and exterior inspection appraisal, desktop-only, or exterior-only	1004/70, 1004/70 with modified SOW
HECM Purchase Transaction	Interior and exterior inspection appraisal, desktop-only, or exterior-only	1004/70, 1004/70 with modified SOW
New Construction	Interior and exterior inspection appraisal	1004/70
Construction to Permanent	Interior and exterior inspection appraisal	1004/70
Building on Own Lands	Interior and exterior inspection appraisal	1004/70
203(k) purchases	Interior and exterior inspection appraisal	1004/70
Refinances		
Traditional HECM	Interior and exterior inspection appraisal, or exterior-only	1004/70, 1004/70 with modified SOW
HECM-to-HECM Refinance	Interior and exterior inspection appraisal, or exterior-only	1004/70, 1004/70 with modified SOW
Rate and Term Refinance	Interior and exterior inspection appraisal, or exterior-only	1004/70, 1004/70 with modified SOW
Simple Refinance	Interior and exterior inspection appraisal, or exterior-only	1004/70, 1004/70 with modified SOW
Cash-out Refinance	Interior and exterior inspection appraisal	1004/70
203(k) refinance	Interior and exterior inspection appraisal	1004/70
		Mortgagee Letter 2020-05
VA		
Mortgage Purpose	Permissible Appraisals	Forms
Purchase Transaction (vacant)	Interior and exterior inspection appraisal	1004/70 with modified assignment conditions
Purchase Transaction (occupied)	Interior and exterior inspection appraisal, unless all parties don't agree with interior inspection. Exterior-only appraisal is permissible with enhanced assignment conditions. Desktop-only* are allowed if there is a mandatory* shelter at home* or "quarantine"	Use standard forms for the property type with modified assignment conditions
Refinance Transaction (occupied)	Interior and exterior inspection appraisal, unless all parties don't agree with interior inspection. Exterior-only appraisal is permissible with enhanced assignment conditions. Desktop-only* are allowed if there is a mandatory* shelter at home* or "quarantine"	Use standard forms for the property type with modified assignment conditions
	* If the lender will not accept a Desktop appraisal, the appraiser will place the assignment on hold for 30 days and then subsequently cancel, if the status has not changed.	**Form 2055 is not accepted by VA
		Circular 26-20-11
RHS		
Mortgage Purpose	Permissible Appraisals	Forms
Purchase Transaction	Interior and exterior inspection appraisal or exterior-only	1004/70, 2055
Non-streamlined Refinance	Interior and exterior inspection appraisal or exterior-only	1004/70, 2055
New Construction	Interior and exterior inspection appraisal	1004/70
Construction-to-Permanent	Interior and exterior inspection appraisal	1004/70
	*For exterior-only appraisals, appraisers are not required to certify that the property meets HUD HB 4000.1 standards.	
		March 27, 2020 Stakeholder Announcement