

Appraisal Dispute Process:

The appraisal dispute process is completed by the lenders' credit risk management departments and their appraisal management companies. When a property appraises low, the MC and Member must first request that the real estate agent negotiate with the seller to obtain a purchase price in line with the current appraised value. If this is not an option, the seller, real estate agents, Member, or MC may identify information in the appraisal that may be incorrect, missing or inadequately considered, affecting the market valuation. They should also provide documentation with which to dispute the valuation.

Actions helpful in appealing value determination include:

- Verify and document inaccuracies in the appraisal that will affect value (examples – the appraisal states the subject has three bathrooms and there are four or the appraisal states that the subject property has a one car garage and it has two, etc.)
- Propose comparable properties for consideration and the reason why these comps are better to determine value than the ones used on the subject appraisal. Ensure that they are suitable (do not require large adjustments); have sold/closed (i.e. not pending) prior to the effective date of the appraisal; and are within an appropriate distance from, and with the same schools as, the subject property. Provide the best three property comps to make a case with six as the max using similar build quality.
- Prepare and send all dispute information and documentation with the initial request as identified below. There will be one review.

Acceptable Supporting Documentation for Appraisal Reconsideration Requests:

Issue to Address:	Documentation & Information Supporting Dispute:
Reason for reconsideration	Concise, fact-based explanation of the reason for the reconsideration request. Do not include any mention of estimated value, value range or value opinion.
Additional comparable and/or market data to be considered	<ul style="list-style-type: none">• Comparable sales with MLS# and property addresses. Each sale must have occurred prior to the effective date of the subject appraisal.• Sales comparison grid information from a previous appraisal with all adjustments and value opinion removed.
Square footage or room count	A sketch of floor plan only.
Adding and/or removing parcels or confirming lot size	Title report (loan amount removed) or Survey.
Sales data used or borrower questions	Specific items within the appraisal report needing further detail or clarification of how the value was determined.

Unacceptable Actions that could result in an Appraisal Independence Incident:

Requests that breach appraisal independence will be rejected, and no value reconsideration performed. The following are examples of prohibited acts or information:

- A copy of another appraisal.
- Sales comparison grid with adjustments or value displayed.

- A broker's comparative market analysis, automated valuation model, or other value indication.
- Comments from the requestor pertaining to estimated value, value range, value approach or direction on adjustments.
- "Instruct" or "opine" as to how the appraisal is to be reviewed (such as adjustments, supporting data preference, etc.).
- Statements or supporting documents with disparaging comments about the appraiser or subject appraisal report.
- Providing or including loan information, loan amount or other value-based documentation.
- Edit or mark-up of the subject appraisal report.
- Reports or values from Realtor.com, Zillow, Trulia or other real estate estimators. These sites may be used to identify additional sales comps but only provide the sales address or the MLS number.
- Property tax assessments or statements.
- Comments about the appraiser's behavior. Items of this nature or borrower complaints should be included in a separate attachment.

Consider the following when submitting an Appraisal Value Dispute:

- Closed sales may not be acceptable comps because of differences in properties (i.e. upgrades, build quality, etc.). The appraiser is to consider multiple factors when choosing comps. For example, just because another comp is closer does not make it a better comp.
- If you believe there were stronger comps than the ones used by the appraiser, provide a copy of the comps via the MLS listing and write a detailed summary for each comp as to exactly why the comps are stronger. Keep in mind that comps need to be similar to the subject property (i.e. build quality, square footage, etc.) and that adjustments by more than 10% are unlikely to be used to change the valuation.
- The appraiser's sketch with measured square footage supersedes tax or MLS records of heated square footage.
- If you feel the comps used by the appraiser are inferior, please spell out the comps you are questioning and provide detail as to why they are not acceptable comps.

Once the above information is obtained and prepared send the information as stated below with the following:

Subject Line:

"Appraisal dispute: (NACA ID # _____ or complete borrower name _____), property address _____, and loan # _____ if available"

Send To:

- Bank of America: naca_appraisal_dispute@bankofamerica.com
cc: appraisaldisputes@naca.com