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## **PREPARING FOR AN APPRAISAL**

1. Open with quotes from: (10 min)
  - a. Calvin Coolidge
  - b. Lesson's from Noah's Ark
  - c. Captain Charles Plumb story
2. The purpose of the appraisal. (10 min)
  - a. different types of conventional appraisals
    1. full inspection
    2. interior inspection
    3. drive by – exterior only
    4. desktop/electronic
  - b. FHA/VA appraisals
3. The process of all types of appraisals (15 min)
  - a. conventional loans
    1. the lender selects the appraiser
    2. the appraisal belongs to the lender
    3. lender may but is not obligated to assign the appraisal
  - b. FHA loans
    1. lender selects appraiser from approved list
    2. appraisal is assigned to the property and is valid for 180 days
    3. appraisal can be assigned to another lender
  - c. VA loans
    1. VA selects appraiser from their approved list
    2. appraisal is assigned to the property and is valid for 180 days
    3. appraisal can be assigned to another lender
  - d. appraisal package

4. What are valid comparables (comps)? (15 min)
  - a. same neighborhood and street
  - b. settled within the last six months
  - c. same style house
  - d. settled units vs pending sales and listings
  - e. time adjustments
    1. adjustments must be supported with settled units over time
    2. underwriters are “wary” of timing adjustments
  - f. interpreting comps and market conditions
5. Building an appraisal package (10 min)
  - a. preparing an appraisal package is tied directly to your fiduciary responsibilities to your client.
  - b. Sellers vs. buyers
6. What are your options if appraised value is below the sales price? (15min)
  - a. review the appraisal for accuracy and comps
  - b. review MRIS for additional comps
    1. settled units
    2. pending sales
    3. listings
  - c. postpone settlement to update the appraisal with more recent comps
  - d. understand appraisers options and underwriting options
  - e. order a new appraisal
    1. can reorder only on conventional loans
    2. FHA/VA must wait 180 days to order new appraisal
  - f. renegotiate the sales price in the contract
7. Real Estate Contract and options in the event the appraised value is lower than the sales price. (15 min)
  - a. conventional contracts
    1. review mortgage contingency
    2. use of a separate addendum requiring the appraisal to support the sales price.
  - b. VHA/VA contracts
    1. The amendatory clause protects the customer in the event of an under appraisal
  - c. seek advice of manager/broker and/or legal advice.

## COURSE EVALUATION

<b>INSTRUCTIONS :</b>	<i>Please answer the questions below and return to instructor or monitor</i>		
<b>School :</b>	Elite Learning Academy <input type="checkbox"/> <b>Pasadena:</b> 8220 Ritchie Highway, Pasadena, MD 21122 <input type="checkbox"/> <b>Dundalk:</b> 1732 Merriit Blvd, Dundalk, MD 21222 <input type="checkbox"/> <b>Olney:</b> 3300 Olney-Sandy Spring Rd, Olney, MD 20832 <input type="checkbox"/> <b>Frederick:</b> 7450-B New Technology Way, Frederick, MD 21704 		
<b>Course Title:</b>			
<b>Course Date:</b>		<b>Time:</b>	
<b>Instructor:</b>			
<b>Course Location:</b>	<input type="checkbox"/> <b>Pasadena office</b> <input type="checkbox"/> <b>Dundalk office</b> <input type="checkbox"/> <b>Olney office</b> <input type="checkbox"/> <b>Frederick office</b>		
<b>Course Sponsor :</b>	Elite Learning Academy		

<b>Student's Name</b> <i>(optional)</i> :		Tel:	
How did you hear about us ?	<input type="checkbox"/> Received an Email <input type="checkbox"/> Received a fax <input type="checkbox"/> Referred by a colleague <input type="checkbox"/> Ad in paper <input type="checkbox"/> Other _____		
How did you register?	<input type="checkbox"/> Web-Online registration		
If you registered via the web/online, was the website easy to navigate?	<input type="checkbox"/> Yes		<input type="checkbox"/> No
Additional comments on the website:			
If you registered via telephone/fax, was the staff helpful?	<input type="checkbox"/> Yes		<input type="checkbox"/> No.
Additional comments on your experience with the staff at Elite Learning Academy:			

PLEASE RESPOND	YES	NO
1. Did the class start on time?	<input type="checkbox"/>	<input type="checkbox"/>
2. Did the instructor adequately discuss the objective and contents of the class?	<input type="checkbox"/>	<input type="checkbox"/>
3. Was the material current?	<input type="checkbox"/>	<input type="checkbox"/>
4. Did the instructor appear to know the subject?	<input type="checkbox"/>	<input type="checkbox"/>
5. Did the instructor involve students in the class for example by asking questions, and waiting for a response?	<input type="checkbox"/>	<input type="checkbox"/>
6. Did the instructor minimize disruptions by telling the students to turn off cell phone, put away newspapers, books, etc? If no, please explain:	<input type="checkbox"/>	<input type="checkbox"/>
7. Did students spend the full required time in class?	<input type="checkbox"/>	<input type="checkbox"/>
8. If handouts or other teaching materials were given, were they sufficient?	<input type="checkbox"/>	<input type="checkbox"/>
9. Did the instructor use teaching tools, i.e., blackboard, LCD screen, or PowerPoint Presentation, handouts to help students understand the course?	<input type="checkbox"/>	<input type="checkbox"/>
10. Did the instructor keep the class under control?	<input type="checkbox"/>	<input type="checkbox"/>
11. Did the instructor make the course interesting?	<input type="checkbox"/>	<input type="checkbox"/>
12. Was adequate parking available?	<input type="checkbox"/>	<input type="checkbox"/>
13. Was the room temperature comfortable?	<input type="checkbox"/>	<input type="checkbox"/>
14. Were there adequate facilities for breaks, i.e., rest rooms, ?	<input type="checkbox"/>	<input type="checkbox"/>
15: Were you required to sign in?	<input type="checkbox"/>	<input type="checkbox"/>
16: Would you refer your friends/associates to Elite Learning Academy ?	<input type="checkbox"/>	<input type="checkbox"/>

**ADDITIONAL COMMENTS:**