

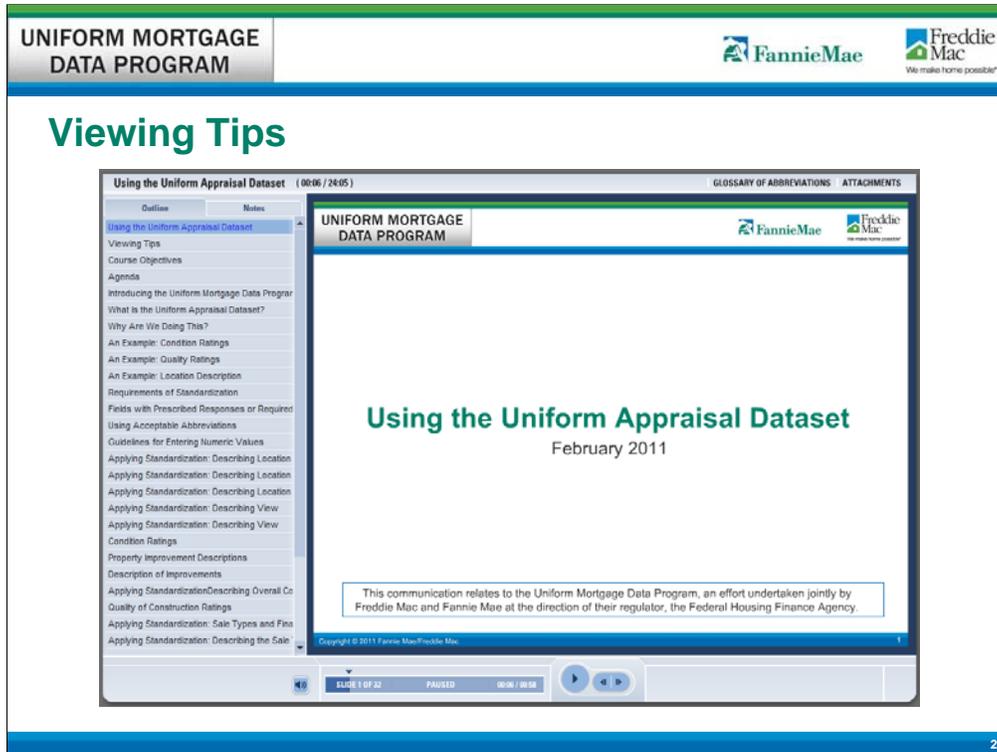
## Using the Uniform Appraisal Dataset

February 2011

This communication relates to the Uniform Mortgage Data Program, an effort undertaken jointly by Freddie Mac and Fannie Mae at the direction of their regulator, the Federal Housing Finance Agency.

Hello, and welcome to *Using the Uniform Appraisal Dataset*. This recorded tutorial introduces you to the requirements and instructions that you'll need to follow to produce appraisal report forms in accordance with the new Uniform Appraisal Dataset, or UAD. The UAD is part of a larger effort by Freddie Mac and Fannie Mae to implement uniform appraisal and other loan delivery standards, which is being undertaken at the direction of their regulator, the Federal Housing Finance Agency.

In this tutorial, you'll find out how to enter appraisal data in the prescribed format, how to report the condition, quality, and improvements of a property, and what Fannie Mae and Freddie Mac expect you to provide on an appraisal report form in order for it to comply with the UAD.



Before we begin, let's go over a few tips to help you get the most out of this interactive tutorial.

You should make sure that the volume is turned up to hear the voiceover narration for each slide. You can also view a text version of the voiceover narration by clicking on the Notes tab.

To start or stop the presentation, click on the 'Play/Pause' button. To navigate between slides, use the forward or back arrows, or click the desired slide title on the Outline tab.

To download a PDF copy of the presentation and other handouts, click Attachments, then double-click the attachment. The Attachments tab also contains links to more detailed information on both the Fannie Mae and Freddie Mac web sites.

OK, let's get started.

## Course Objectives



**At the end of this course, you should be able to:**

- Explain the purpose of the Uniform Appraisal Dataset (UAD)
- Explain and apply the prescribed format for numbers, currency, and dates
- Apply standardized abbreviations
- Describe the standardized ratings and definitions for property condition, quality, and improvements
- Describe and apply standardizations for completing appraisal report forms
- Identify sources of additional information and training on the UAD

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Let's go over the objectives of this course. By the end of the course, you should be able to:

- Explain the purpose of the Uniform Appraisal Dataset (UAD)
- Explain and apply the prescribed format for numbers, currency, and dates
- Apply standardized abbreviations
- Describe the standardized ratings and definitions for property condition, quality, and improvements
- Describe and apply standardizations for completing appraisal report forms
- Identify sources of additional information and training on the UAD

## Agenda



- Introducing the Uniform Mortgage Data Program
- Input Requirements
- Standardized Definitions and Ratings
- Applying Standardized Information
- Test Your Knowledge
- Additional Resources

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Here's the agenda for the course.

- First, we'll introduce and give you an overview of the Uniform Mortgage Data Program. The Uniform Appraisal Dataset – or UAD – is part of this overall program. This course concentrates only on the UAD.
- Next, we'll explain the input standardization for appraisals. You'll learn about the new prescribed formats for numbers, dates, and currency; how to use acceptable abbreviations, and which fields on the appraisal report forms have prescribed responses, required input formats, or input instructions.
- The new property condition, property quality, and improvements definitions and ratings are next. These new, standardized ratings enable you to rate and describe a property consistently while using your appraisal expertise and knowledge to determine which rating applies.
- Following the ratings is a series of examples on how to apply this standardization. We'll cover some of the most significant changes here.
- In the next section, you'll be able to take a short quiz to test your knowledge of the changes and see how well you understand them.
- Finally, we'll list some additional resources from Fannie Mae and Freddie Mac to help you succeed at integrating the UAD into your appraisal practice, including an interactive guide to the UAD as it applies to the Uniform Residential Appraisal Report Form, Fannie Mae Form 1004 and Freddie Mac Form 70.

This tutorial is not a substitute for reading the UAD specification, and especially Appendix D. It is, rather, an overview of the standardization that the specification describes in detail. In the event of a conflict between the UAD specification and the content of this tutorial, the UAD specification shall govern. Additionally, it's important to note that this tutorial does not in any way undermine or mitigate the representations and warranties lenders are required to make to Freddie Mac or Fannie Mae about the accuracy and sufficiency of appraisals relating to Mortgages that are sold to either Freddie Mac or Fannie Mae.

## Introducing the Uniform Mortgage Data Program

A joint effort undertaken by Fannie Mae and Freddie Mac at the direction of their regulator



### Three reasons:

- Capture consistent data
- Drive improved loan quality
- Manage risk effectively

### Three components:

- Uniform Loan Delivery Dataset
- Uniform Collateral Data Portal
- Uniform Appraisal Dataset

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On May 24, 2010, the Federal Housing Finance Agency announced that it had directed Fannie Mae and Freddie Mac to work together on the Uniform Mortgage Data Program, which is a joint effort to standardize loan delivery data and appraisal data, and to develop an electronic approach to delivering appraisal reports. The primary purposes of this effort are:

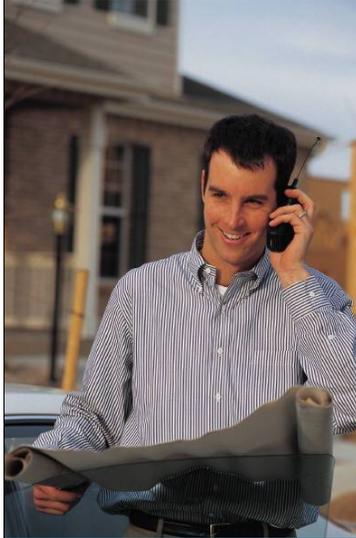
- To capture consistent data
- To drive improved loan quality, and
- To manage risk effectively.

The program has three main components:

- The Uniform Loan Delivery Dataset is a standardization of loan delivery data that will help leverage the use of MISMO in delivering loan data electronically.
- The Uniform Collateral Data Portal is a web application that will enable lenders to submit appraisal report forms electronically.
- The Uniform Appraisal Dataset is a standardization of appraisal data, including data formats, abbreviations, ratings and definitions, and other instructions, for appraisers to use in completing property appraisal report forms.

This course concentrates only on the Uniform Appraisal Dataset.

## What Is the Uniform Appraisal Dataset?



It's about standardization and data quality:

- Data formats
- Input requirements
- Descriptions
- Ratings
- Instructions

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To improve the quality and consistency of appraisal data on loans delivered to the GSEs, Freddie Mac and Fannie Mae, at the direction of the Federal Housing Finance Agency, have developed the Uniform Appraisal Dataset (UAD), which defines all fields required for an appraisal submission for specific appraisal forms and standardizes definitions and responses for a key subset of fields. This new standardization provided by the UAD will enable a more robust and accurate automated appraisal review.

Here are some of the items that are being standardized:

- Data formats
- Input requirements
- Descriptions
- Ratings
- Instructions

Appraisal software forms providers are incorporating these enhancements into their appraisal report form software. In some cases, appraisers will be able to select input from drop-down boxes or pick lists.

## Why Are We Doing This?



- Creates efficiency and consistency in appraisal reviews
- Improves data integrity related to home values
- Strengthens the loan underwriting process by promoting a more consistent view and understanding of appraisal data
- Supports processes to manage and mitigate valuation risk

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With the industry moving toward electronic submittal and review of loan and appraisal data, it's critical that the data become consistent to efficiently perform appraisal review and underwriting. In this joint effort we have standardized definitions and ratings for key data fields. Some examples of this standardization are property condition, quality of construction, and improvements definitions. We have developed a set of acceptable abbreviations and standardized the input format for certain data points. In other fields we have provided direction to improve clarity with respect to the lender/investor requirements. Consistent appraisal data helps create efficiency in appraisal review and strengthens the underwriting process by providing a consistent view and understanding of the appraisal data presented. This also enables lenders and investors to better manage and mitigate valuation risk.

## An Example: Condition Ratings

Excellent	12,342	0.9%
Good	252,278	17.6%
Average	911,956	63.7%
Fair	55,770	3.9%
Poor	15,160	1.1%
	<u>1,247,506</u>	87.2%
Other responses	183,811	12.8%

Just one rating provides 23 permutations.

Sample size: ~1,431,000  
Source: Fannie Mae

- Average
- Average Good
- Average (+)
- Average (-)
- Average Fair
- Average Updated
- Average Superior
- Average Same
- Average Deferred\_Maintenance
- Average Disrepair
- Average Inferior
- Average No
- Average As\_Is
- Average (+) Updated
- Average (-) Updated
- Average Good Updated
- Average Old
- Average Assumed
- Average (-) Disrepair
- Average (-) Superior
- Average (-) Same
- Average New
- Average (+) Superior

Let's look at an example of the inconsistency that the UAD is designed to eliminate. Here is an analysis of over 1 million properties. As you can see, almost 64% of the properties had a condition rating of "Average." However, let's take a closer look. Because we have no standardized definition of "average condition," appraisers have tried to be more precise by adding more detail, resulting in 23 different permutations of a single condition.

## An Example: Quality Ratings

Frame	20,914	7.68%
Brick	43,795	16.09%
Stucco	14,553	5.35%
Vinyl	23,630	8.68%
Aluminum	11,390	4.18%
Wood	5,538	2.03%
	<hr/>	<hr/>
	119,820	44.01%
Other descriptions	152,437	55.99%
Average	131858	
Good	14613	
Fair	1137	
	<hr/>	<hr/>
	147,608	

Frame Average  
 Frame  
 Brick Frame Average  
 Brick Frame  
 Frame Stucco Average  
 Frame Stucco  
 Frame Wood Average  
 Frame Good  
 Frame Tile  
 Vinyl Frame  
 Frame Stucco Tile  
 Vinyl Frame Average  
 Frame Aluminum  
 Frame Wood  
 Frame Stucco Tile Average  
 Frame Stone Average

Sample size: ~272,000  
Source: Fannie Mae

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Now let's look at another example: quality of construction ratings. Here we see that many of the descriptions don't even describe the quality; they describe the materials used in the construction. Therefore, the appraiser must add other descriptive text to try and describe the quality of construction.

For the "frame" category, there are 16 different additional descriptions.

## An Example: Location Description

Description	Frequency Count	% of Frequency
Average	56483	26.91
Suburban	40467	19.28
Urban	13440	6.403
Suburban Average	10484	4.995
Street	7808	3.720
Rural	7041	3.355
Residential	4717	2.247
Urban Average	3740	1.782
Good	3588	1.709

Source: Fannie Mae

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Here's a third example: location descriptions. This table shows the frequency and percent of frequency of these descriptions from a large sample of properties.

In this table, you can see that the top description for location is "average" – but what does this mean? Other frequent descriptions include "suburban" and "urban".

However, these descriptions do not give you any details or tell you how the location affects the marketability of the property. Moreover, we see similar permutations to the Condition and Quality ratings: Suburban Average and Urban Average.

## Requirements of Standardization



- Use required formats
- Select input from a set of choices in certain fields
- Use acceptable abbreviations
- Select appropriate ratings
- Follow our instructions

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Now, let's talk about what you will do to complete the appraisal report forms.

- You'll use required formats; for example, you'll enter numbers, currency, dates, and measurements according to the prescribed format.
- In certain fields, you'll select input from a set of choices; for example, sale types, financing types, and other types of data from a list of acceptable choices.
- You'll use acceptable abbreviations in your descriptions for sale types, financing types, location factors, view factors, and others.
- You'll select appropriate quality, condition, and improvements ratings based on your observations and the ratings definitions.
- Finally, you'll follow our instructions for input in certain fields on the appraisal report forms.

We'll go over all of these tasks later in the course. In addition, be sure to check the Attachments section of this course to download and print job aids and other documents that you can use as references.

## Fields with Prescribed Responses or Required Input Formats

### Certain fields have:

- Prescribed responses
- Required input formats

- Address
- Financial Assistance
- View
- Basement
- Data Sources
- Sale Type
- Comparable Date of Sale
- Location
- Quality
- Condition
- AMC Name



Need more info? See the *UAD Field Specific Standardization Requirements*.

Certain fields on the appraisal report forms have prescribed responses or required input formats. Some of those fields are listed here. Fields with prescribed responses will have drop-down boxes, pick lists, or checkboxes with the choices you can make. You will select one of the choices to complete the input for these fields.

In fields with required formats, you enter the data in the prescribed format; for example, a property address must conform to United States Postal Service standards for complete addresses, including a street number, street name, any applicable address unit designator or number, city, two-letter state abbreviation, and ZIP code.

You'll learn more about these fields and the input requirements for them later in this tutorial. For complete details, see the *UAD Field Specific Standardization Requirements*. A link to the spec is in the Attachments section of this tutorial.

## Using Acceptable Abbreviations

Full Name	Abbreviation	Appropriate Fields
Beneficial	B	Location, View
City View Skyline View	CtySky	View
City Street View	CtyStr	View
Commercial Influence	Comm	Location
Contracted Date	c	Date of Sale/Time
Conventional	Conv	Sale or Financing Concessions
Court Ordered Sale	CrtOrd	Sale or Financing Concessions
Days on Market	DOM	Data Sources

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Because most appraisal report forms do not have a lot of room for descriptive text, we have developed a set of acceptable abbreviations for common terms that you can use in many of the report fields. Here's a small sample of some of the terms, with their acceptable abbreviations and the fields they're used in.

The abbreviations will help you describe location factors, view factors, room types, sale types, and overall view and location ratings.

You'll see how to use and apply these abbreviations later on in the tutorial.

To help you learn the abbreviations, refer to the glossary. Just click the "Glossary of Abbreviations" tab to see all of the abbreviations, their definitions, and where they're used. To help you remember the abbreviations, you can view and print a job aid, available in the Attachments section of this tutorial.

If you'd prefer to continue with the tutorial without looking at the glossary or job aid, click *Next*.

## Guidelines for Entering Numeric Values



### Dates

- mm/dd/yyyy
- Years only: 4 digits only



### Price/Value

- Price: currency, whole numbers
- Price/SF: currency, to 2 decimals



### Numbers

- General: numeric, 0 to 1 decimal
- Percentages: numeric, no decimal
- Age: to 3 digits
- Acres: numeric, to 2 decimals
- Square footage: numeric, to 5 digits, no decimal
- Days on market: numeric, to 4 digits



Need more info? See the *UAD Field Specific Standardization Requirements*

The UAD establishes required formats for many fields on the appraisal report forms. Here are the common formats. Keep in mind that these guidelines may not apply 100% of the time; consult Appendix D of the UAD specification for details.

Enter dates as two-digit month, two-digit day, and four-digit year, separated with slashes. Don't spell out or abbreviate the month, and don't use two digits for the year.

When entering a year by itself, be sure to enter the four-digit year. Don't spell it out or omit the century.

Now let's talk about how to enter price and value; for example, property sale price or price per square foot. In general, you should enter price as currency, in whole numbers. For example, if a property sold for \$185,500.65, you would enter \$185,501. For price per square foot, however, you should enter the price as currency with two decimal places; in other words, dollars and cents.

For numbers, follow the instructions listed here:

- For percentages, do not use decimal places.
- Age, as in property age, can have up to three digits.
- When specifying acreage, use two decimal places.
- Square footage should be specified with up to five digits, but no decimal places.
- Finally, specify days on the market as a number with up to four digits.

## Applying Standardization: Describing Location and View



Location Factors  
Sales Comparison  
Approach section



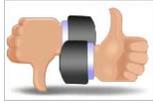
View Factors  
Site section  
Sales Comparison  
Approach section

While most of the standardizations and instructions for completing an appraisal report form are straightforward, there are a few that are a bit more complex. Now, let's look at a few examples of how you would apply those standardizations and instructions.

As the appraiser, you must analyze the location and view of the property and the comparables, and indicate the effect of those factors on the value and marketability of the subject and the comparables. Let's look at the UAD requirements for these fields.

For both location and view, you first indicate the overall rating, followed by at least one factor but no more than two factors. You'll indicate the effect of the location in the Sales Comparison Approach section. You'll indicate the effect of the view in the Site section and the Sales Comparison Approach section.

## Applying Standardization: Describing Location

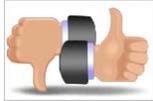


Overall Rating

Factor	Abbreviation
Neutral	N
Beneficial	B
Adverse	A

The first factor is the overall rating of the location on the value and marketability of the property. You have three choices: neutral, beneficial, and adverse.

## Applying Standardization: Describing Location



Overall Rating

**Example:** A;Ind;BsyRd

### Location Factor

Residential  
Industrial  
Commercial  
Busy Road  
Water Front  
Golf Course  
Adjacent to Park  
Adjacent to Power Lines  
Landfill  
Public Transportation  
Other

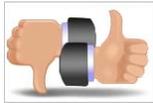
### Abbreviation

Res  
Ind  
Comm  
BsyRd  
WtrFr  
GlfCse  
AdjPrk  
AdjPwr  
Lndfl  
PubTrn

Here is a list of the standardized location factors and their abbreviations. You must list at least one; you may list up to two. If there is a different location factor that is not listed that materially affects the value and marketability of the property, enter Other. You must then describe the location factor. Be sure to be succinct in your description; otherwise, your text may be cut off.

When you're ready, click *Next*.

## Applying Standardization: Describing View

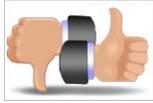


Overall Rating

Factor	Abbreviation
Neutral	N
Beneficial	B
Adverse	A

The first factor is the overall rating of the view on the value and marketability of the property. You have three choices: neutral, beneficial, and adverse.

## Applying Standardization: Describing View



Overall Rating

**Example:** B;Prk;CtySky

### View Factor

Water View  
Pastoral View  
Woods View  
Park View  
Golf Course View  
City View Skyline View  
Mountain View  
Residential View  
City Street View  
Industrial View  
Power Lines  
Limited Sight  
Other

### Abbreviation

Wtr  
Pstrl  
Woods  
Prk  
Glfrw  
CtySky  
Mtn  
Res  
CtyStr  
Ind  
PwrLn  
LtdSght

Here is a list of the standardized view factors and their abbreviations. You must list at least one; you may list up to two. If there is a view factor that is not listed that materially affects the value and marketability of the property, enter Other. You must then describe the view factor. Be sure to be succinct in your description; otherwise, your text may be cut off. In addition, do not use descriptors such as None, Average, Typical, and so on.

When you're ready, click *Next*.

## Rating Property Condition

Condition Ratings

Rating Property Condition

- Six ratings: C1 through C6
- Each condition clearly described

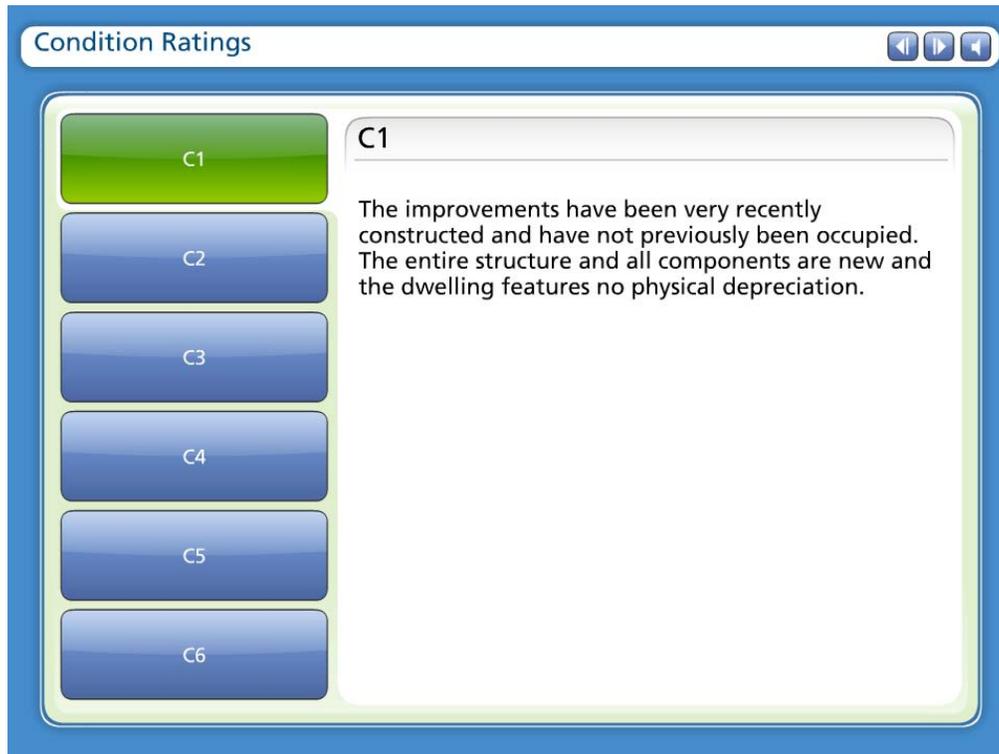
For details on these ratings, click the tabs on the left side of your screen. Or, see the Condition Ratings and Definitions job aid, available in the Attachments section.

In the UAD we have standardized six condition ratings: C1 through C6. Each condition is clearly described in objective terms, enabling you to select the condition that most closely matches the condition of the property you're appraising.

To explain the reasons for your rating or provide additional comments, use the Comments section of the form or in an addendum.

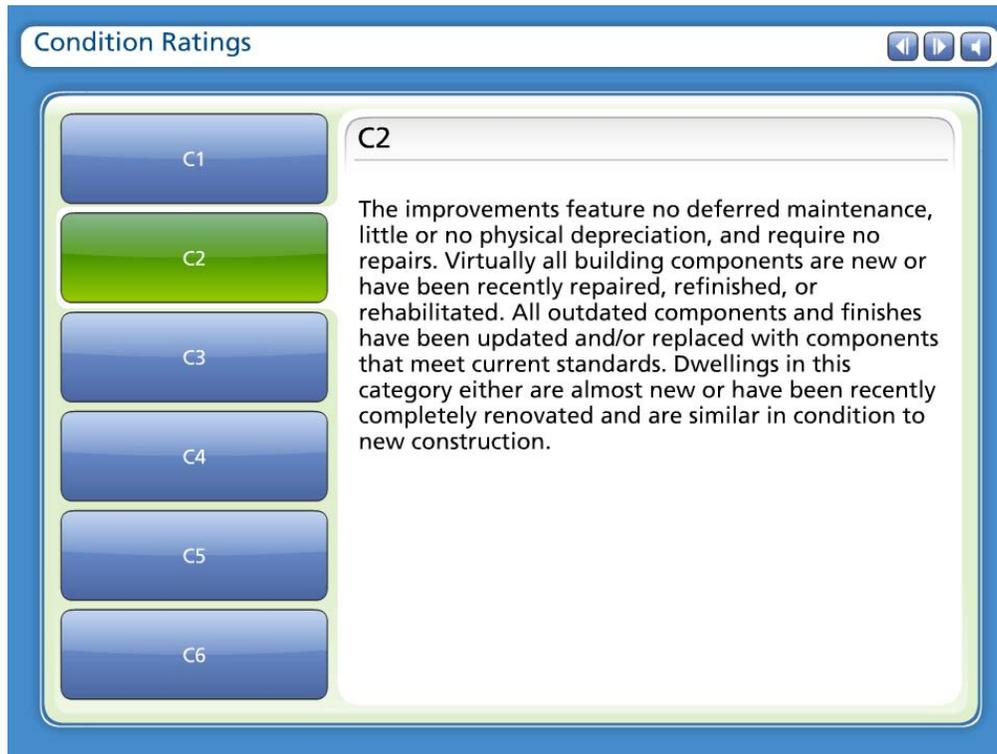
To see the each rating's definition, click the tabs on the left side of your screen. Or, you can download and print the Condition Ratings and Definitions job aid, which is available in the Attachments section.

# C1



The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.

## C2



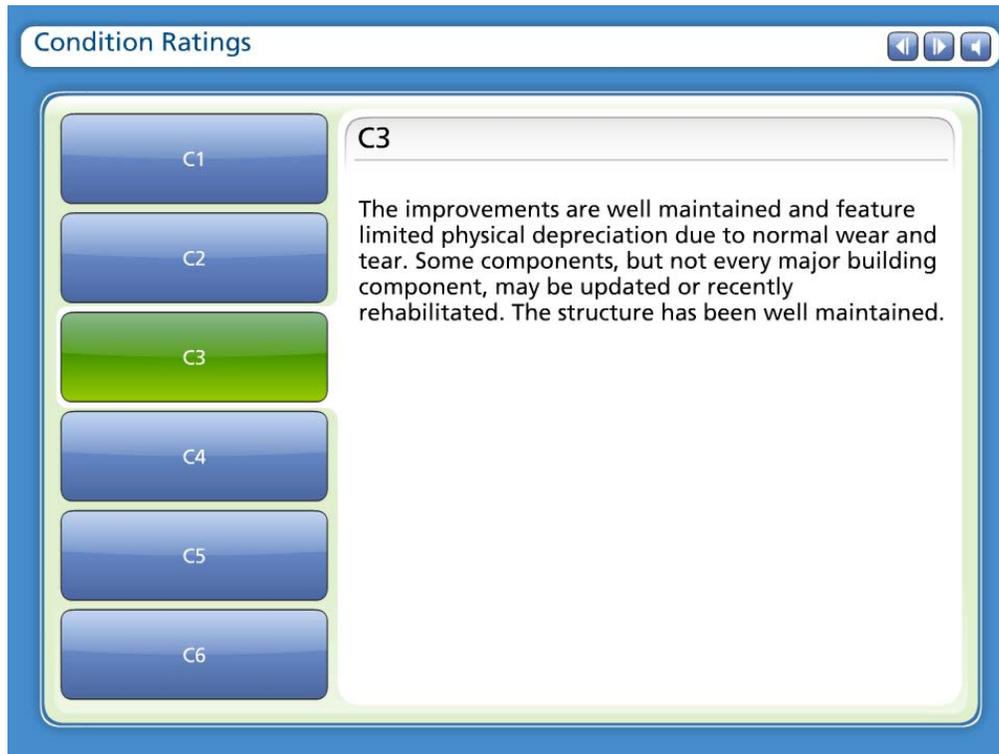
The screenshot shows a software window titled "Condition Ratings" with a blue border and navigation buttons in the top right. On the left, there is a vertical list of six buttons labeled C1 through C6. The C2 button is highlighted with a green gradient, while the others have a blue gradient. To the right of this list, the selected rating "C2" is displayed in a header box, followed by a detailed description of the condition.

**C2**

The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.

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## C3



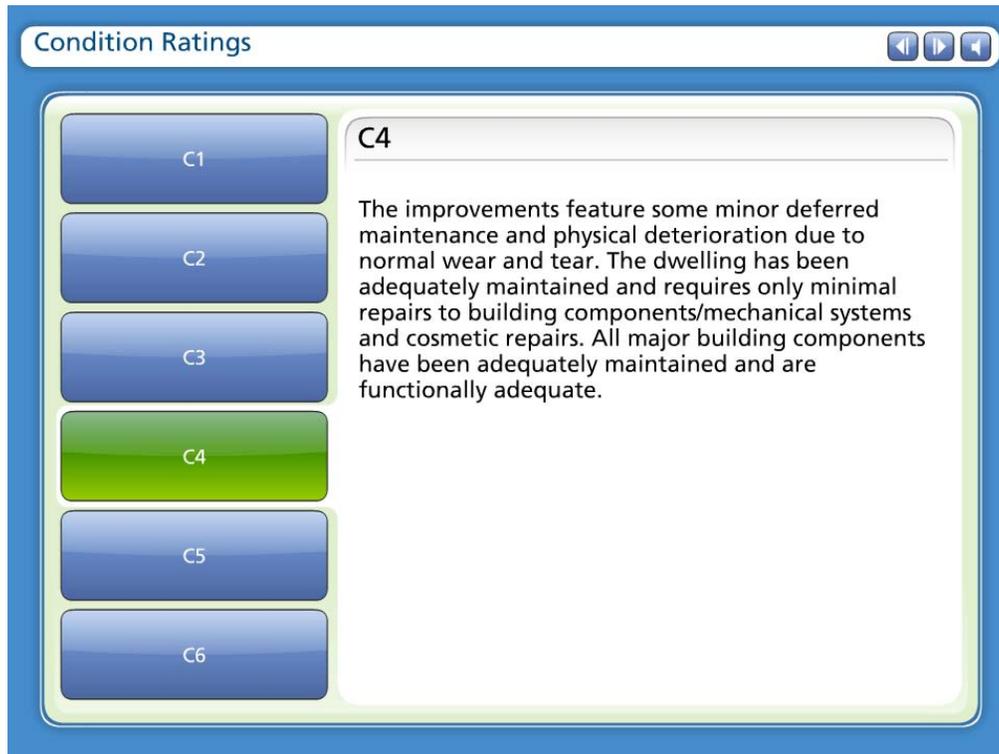
The screenshot shows a software window titled "Condition Ratings". On the left side, there is a vertical list of six buttons labeled C1, C2, C3, C4, C5, and C6. The C3 button is highlighted with a green gradient, while the others have a blue gradient. To the right of this list is a text area containing the following description for C3:

**C3**

The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

## C4



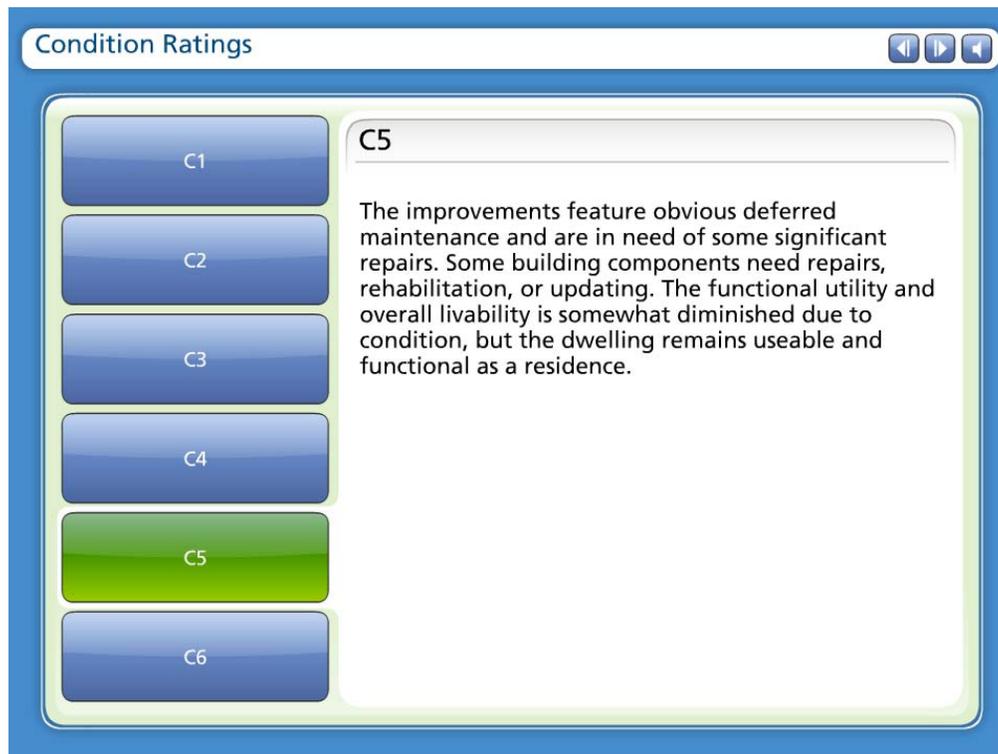
The screenshot shows a window titled "Condition Ratings" with a navigation bar at the top right containing three icons. On the left side, there is a vertical list of six buttons labeled C1 through C6. The C4 button is highlighted in green, while the others are blue. To the right of this list is a large text area containing the following text:

**C4**

The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

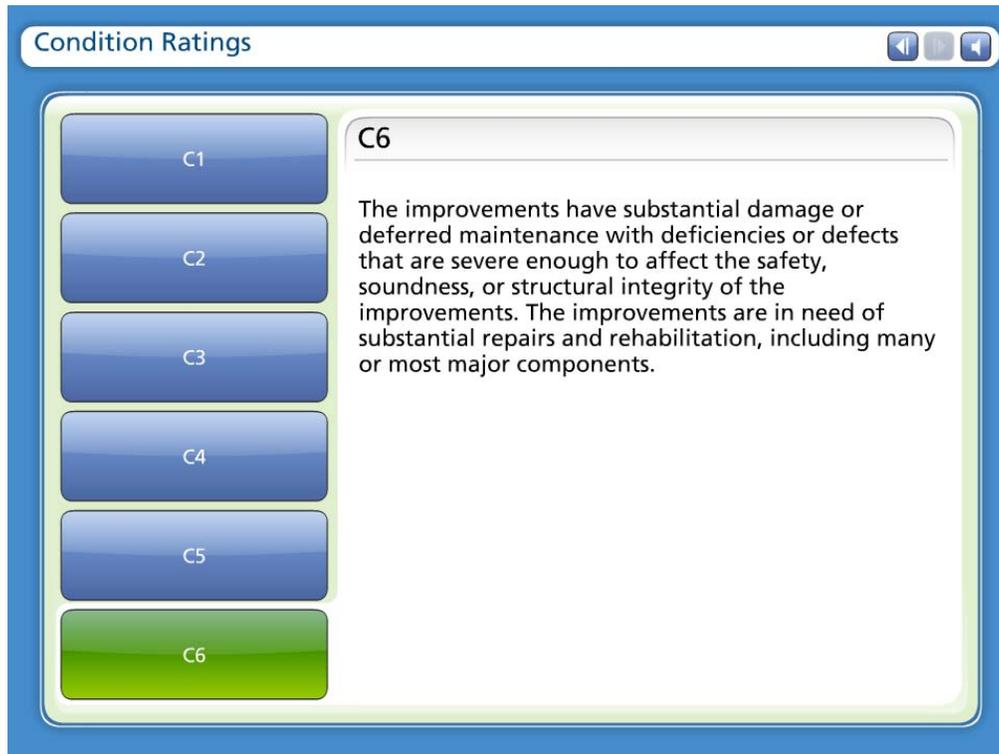
The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

## C5



The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

## C6



The screenshot shows a software window titled "Condition Ratings". On the left side, there is a vertical list of six buttons labeled C1 through C6. The C6 button is highlighted in a bright green color, while the others are blue. To the right of this list is a text area with the heading "C6" and the following description: "The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components."

The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

## Describing Property Improvements

Property Improvement Descriptions

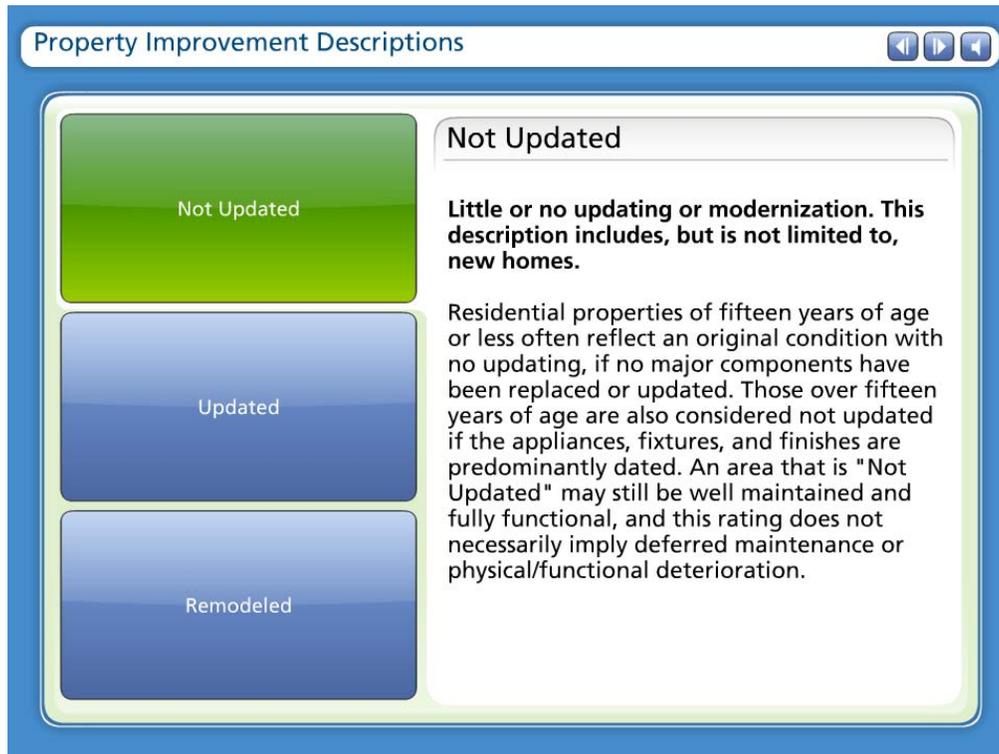
### Describing Property Improvements

- Three ratings:
  - Not Updated
  - Updated
  - Remodeled
- Each level clearly described

For details on these definitions, click the tabs on the left side of your screen. Or, see the Improvements Ratings and Definitions job aid, which is available in the Attachments section of this presentation.

Another area of inconsistency in appraisal reports is in the description of property improvements for the kitchen and bathrooms that have been completed in the last 15 years. To meet the need for standardization in this area, we have created three ratings: Not Updated, Updated, and Remodeled. Each rating is clearly described in objective terms, enabling you to select the rating that most closely matches the improvements of the property you're appraising. In this interaction, you'll learn about the three property improvement ratings. To see the description for each rating, click the tabs on the left side of your screen. Or, you can download and print the Improvements Ratings and Definitions job aid, which is available in the Attachments section.

## Not Updated



The screenshot shows a window titled "Property Improvement Descriptions" with three buttons: "Not Updated" (green), "Updated" (blue), and "Remodeled" (blue). The "Not Updated" button is selected, and its description is displayed on the right.

**Not Updated**

**Little or no updating or modernization. This description includes, but is not limited to, new homes.**

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is "Not Updated" may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical/functional deterioration.

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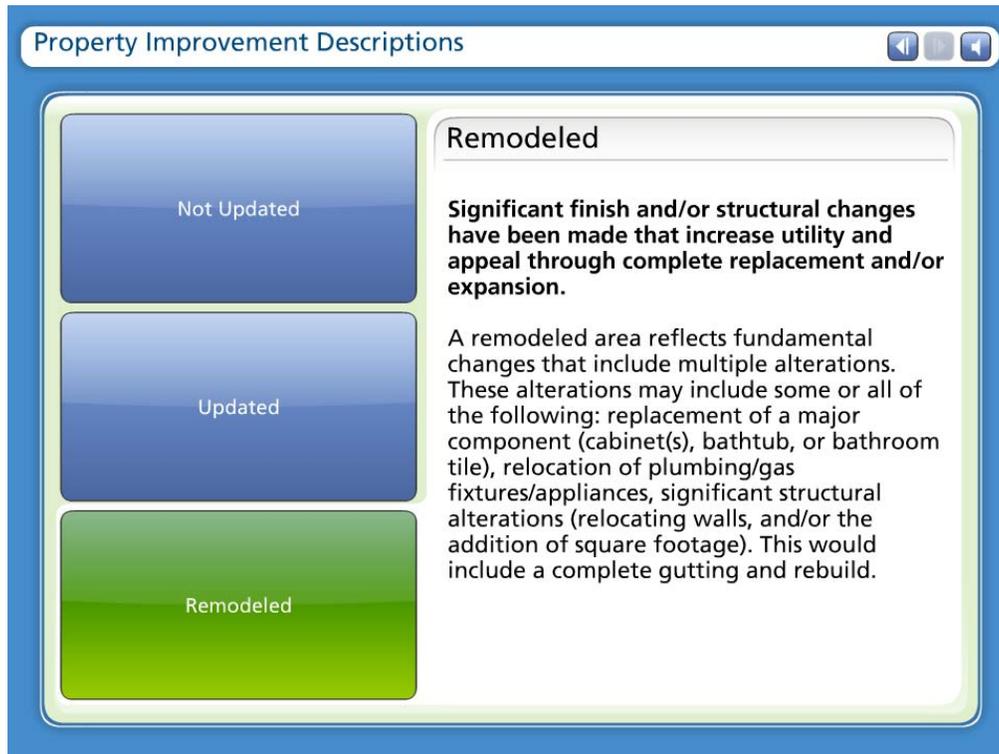
# Updated

The screenshot shows a window titled "Property Improvement Descriptions" with three buttons on the left: "Not Updated" (blue), "Updated" (green), and "Remodeled" (blue). The "Updated" button is selected, and its corresponding text is displayed in a larger box on the right. The text defines "Updated" as modifications limited in scope and cost to meet current market expectations, including refurbishment and replacing components, but excluding significant structural alterations.

**The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.**

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

# Remodeled



Property Improvement Descriptions

Not Updated

Updated

Remodeled

### Remodeled

**Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.**

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of square footage). This would include a complete gutting and rebuild.

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## Description of Improvements

Overall Rating	Area	Update Status	Update Timeline
<ul style="list-style-type: none"> <li>■ C1</li> <li>■ C2</li> <li>■ C3</li> <li>■ C4</li> <li>■ C5</li> <li>■ C6</li> </ul>	<ul style="list-style-type: none"> <li>■ Kitchen</li> <li>■ Bathrooms</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Updated</li> <li>■ Updated</li> <li>■ Remodeled</li> </ul>	<ul style="list-style-type: none"> <li>■ Less than one year ago</li> <li>■ One to five years ago</li> <li>■ Six to ten years ago</li> <li>■ Eleven to fifteen years ago</li> <li>■ Timeframe unknown</li> </ul>

Now, let's talk about describing the overall condition of a property. On the Uniform Residential Appraisal Report Form, you must do this in the Improvements section.

Before you enter any commentary on the property condition, you must report the rating: C1 through C6. You first rate the overall condition of the property, then you rate any improvements to the kitchen and bathrooms.

The improvement ratings include: not updated, updated, and remodeled. These descriptions tell the extent of an improvement.

The update timelines indicate when the improvements were made within the last 15 years. If you cannot tell when the improvement occurred, you can use "timeframe unknown". After you enter this statement in this prescribed format, you will then enter your narrative describing the property condition.

## Applying Standardization Describing Overall Condition

C2; Kitchen- updated-less than one year ago; Bathrooms-remodeled-one to five years ago; [enter description of property condition]



Need more info? See the *UAD Field Specific Standardization Requirements*

An example of the rating is shown on the slide. You are listing an overall rating, then listing which area was improved, how extensive the improvements were, and when the improvements were made in a precise order, using precise descriptions. Let's break down the example.

We see that the overall rating is C2, which indicates that almost all of the property's components have been updated or remodeled to meet current standards. This overall rating is backed up by the following individual ratings and timelines. The kitchen was updated in the last year and the bathrooms were remodeled in the last five years. A short description of the condition follows.

For details on describing overall condition, be sure to see the "Improvements" section in Appendix D of the *Uniform Appraisal Dataset Specification*.

## Rating Quality of Construction

Quality of Construction Ratings

### Rating Quality of Construction

- Six ratings: Q1 through Q6
- Each rating clearly described

For details on these ratings, click the tabs on the left side of your screen. Or, see the Quality Ratings and Definitions job aid, available in the Attachments section of this presentation.

Reporting on the quality of construction is another common area where we find inconsistency in ratings and descriptions. Standardizing the input for quality of construction can help you describe and rate the quality with more consistency and greater accuracy. In this interaction, you'll learn about the six quality of construction ratings, from Q1 through Q6. Each rating is clearly described in objective terms, enabling you to select the rating that most closely matches the construction quality of the property you're appraising.

To explain the reasons for your rating or provide additional comments, use the Comments section of the form or in an addendum.

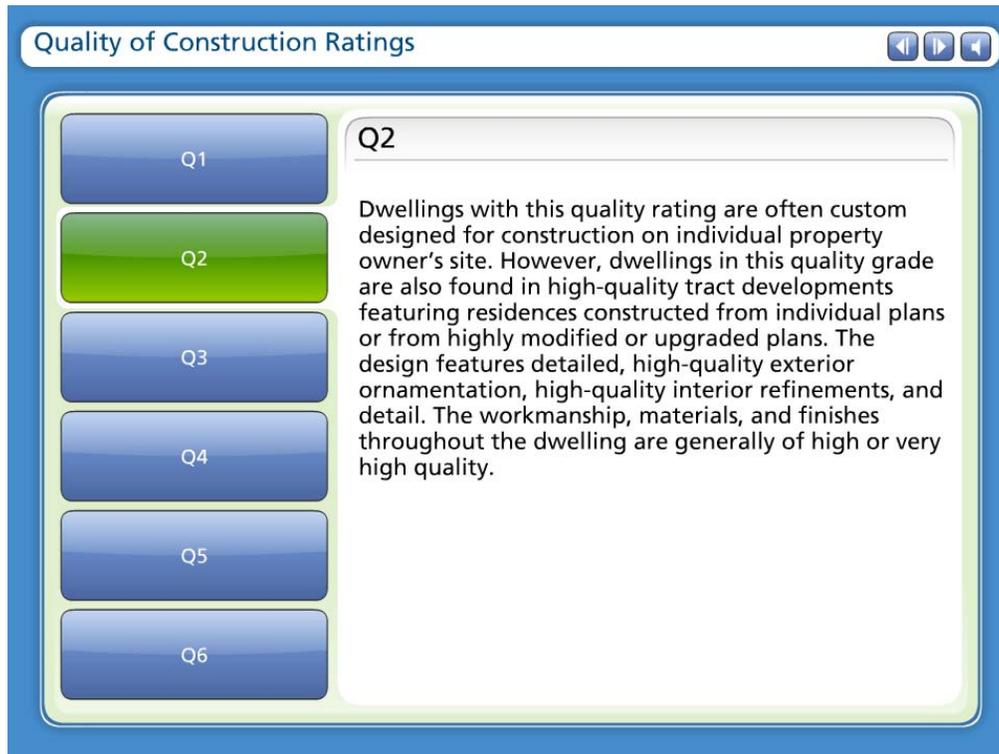
To see each rating's definition, click the tabs on the left side of your screen. Or, you can download and print the Quality Ratings and Definitions job aid, which is available in the Attachments section.

# Q1

The image shows a software window titled "Quality of Construction Ratings". On the left side, there is a vertical list of six buttons labeled Q1 through Q6. The Q1 button is highlighted in green, while the others are blue. To the right of this list, the text for the selected Q1 rating is displayed. The text describes dwellings with this rating as unique structures designed by an architect, featuring high workmanship and high-grade materials throughout.

Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences are typically constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

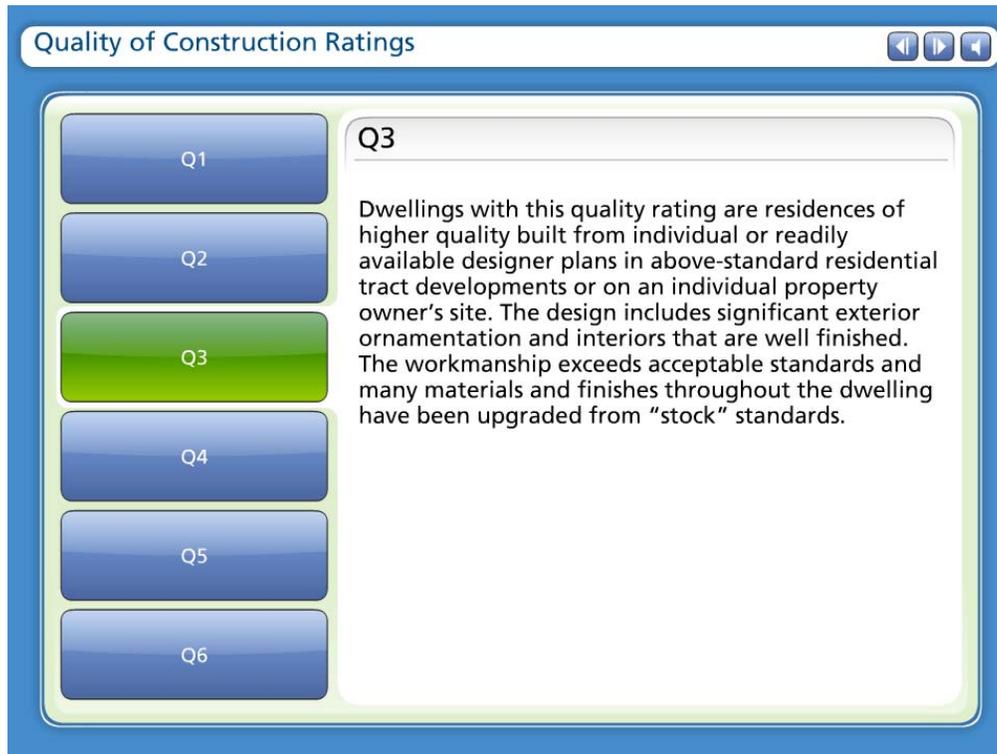
## Q2



The image shows a software interface titled "Quality of Construction Ratings". On the left side, there is a vertical list of six buttons labeled Q1 through Q6. The Q2 button is highlighted in green, while the others are blue. To the right of this list is a text area with the heading "Q2" and a detailed description of the rating. The text describes dwellings with this rating as often custom designed for individual property owner's sites, but also found in high-quality tract developments. It mentions detailed design features, high-quality exterior ornamentation, interior refinements, and high workmanship, materials, and finishes throughout the dwelling.

Dwellings with this quality rating are often custom designed for construction on individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residences constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high-quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

## Q3



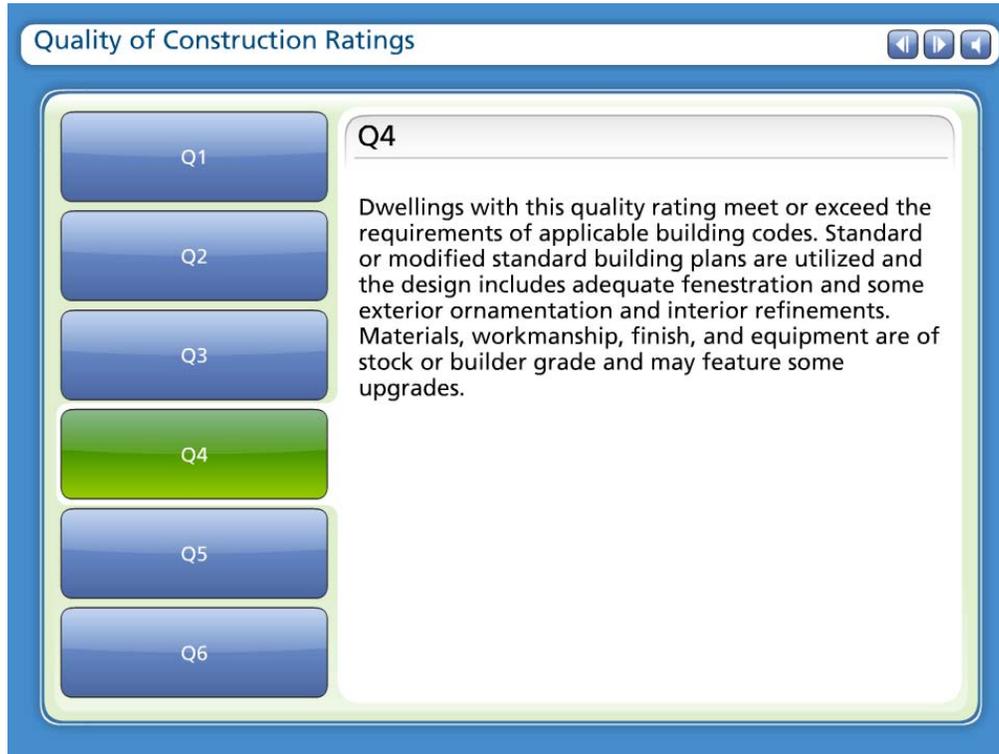
The image shows a software interface titled "Quality of Construction Ratings". On the left side, there is a vertical list of six buttons labeled Q1, Q2, Q3, Q4, Q5, and Q6. The Q3 button is highlighted with a green gradient, while the others are blue. To the right of this list is a text area with the heading "Q3" and a detailed description of the rating level.

**Q3**

Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

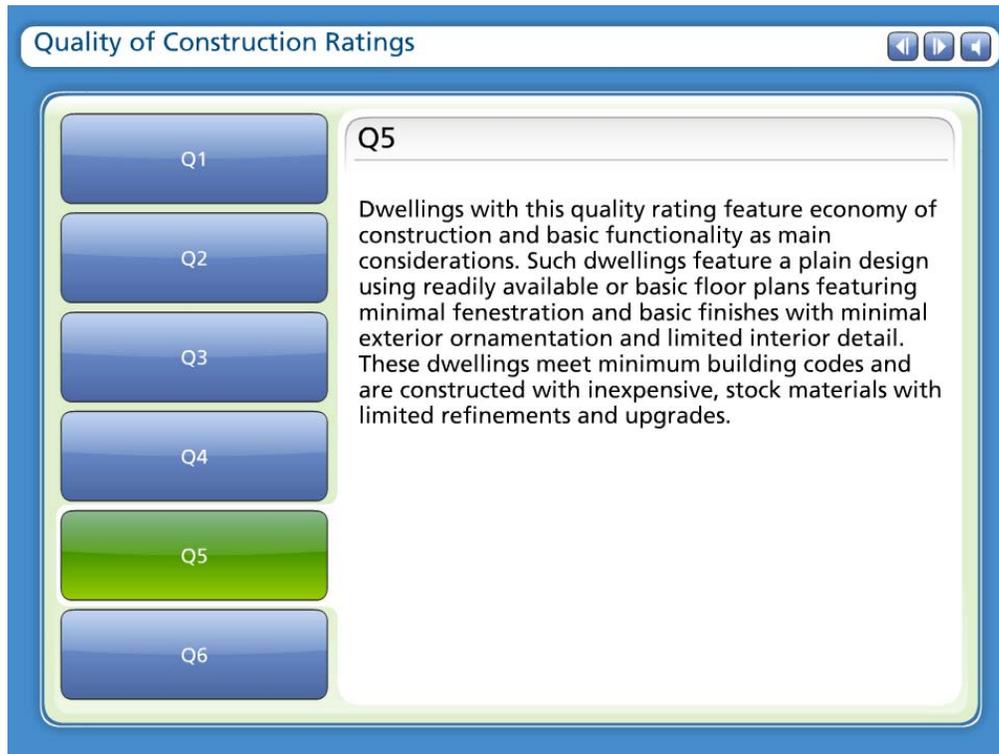
## Q4



The image shows a software interface titled "Quality of Construction Ratings". On the left side, there is a vertical list of six buttons labeled Q1, Q2, Q3, Q4, Q5, and Q6. The Q4 button is highlighted with a green-to-yellow gradient, while the others are blue. On the right side, there is a text area with the heading "Q4" and the following description: "Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades." The interface also includes navigation arrows in the top right corner.

Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

## Q5



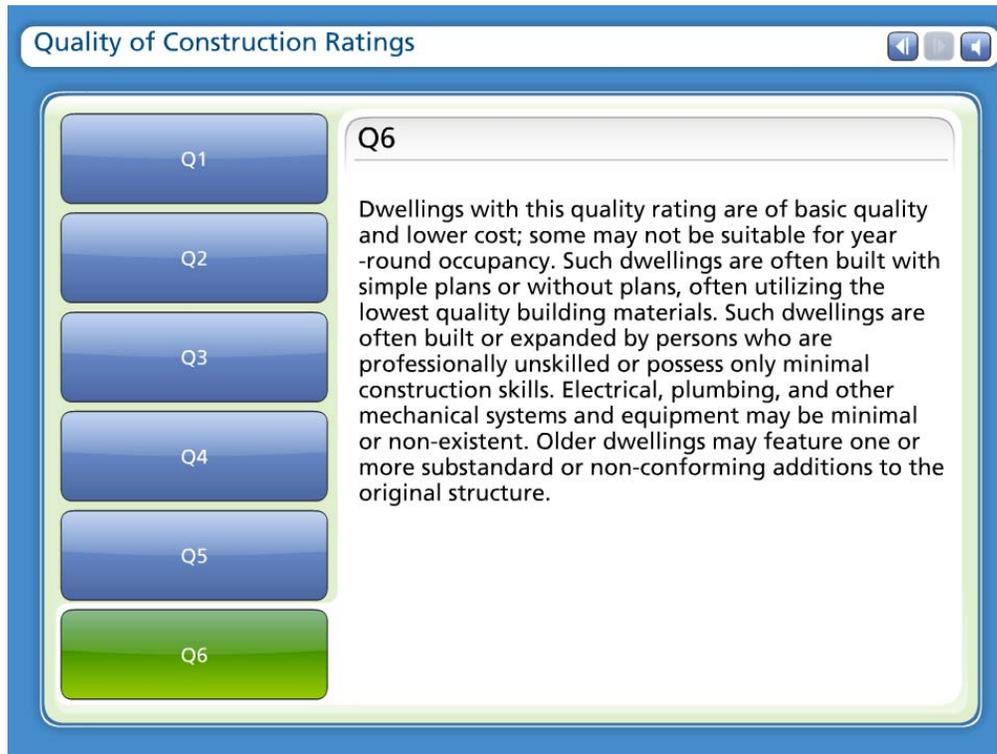
The image shows a software interface titled "Quality of Construction Ratings". On the left side, there is a vertical list of six buttons labeled Q1, Q2, Q3, Q4, Q5, and Q6. The Q5 button is highlighted with a green-to-yellow gradient, while the others are blue. On the right side, there is a text area with the heading "Q5" and a paragraph of descriptive text. The text area has a light green border and a white background.

**Q5**

Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

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## Q6



The image shows a software interface titled "Quality of Construction Ratings". On the left side, there is a vertical list of six buttons labeled Q1 through Q6. The Q6 button is highlighted in green, while the others are blue. On the right side, there is a text area with the heading "Q6" and a detailed description of dwellings with this rating.

**Q6**

Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure.

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## Applying Standardization: Sale Types and Financing Types



### Sale Type

Contract section

Sales Comparison  
Approach section



### Financing Type

Sales Comparison  
Approach section

There are two other required field entries that you should pay particular attention to: the Sale Type and the Financing Type. You'll enter the Sale Type in the Contract section. You'll enter both the Sale Type and Financing Type in the Sales Comparison Approach section, on lines 1 and 2 of the Sales or Financing Concessions field. Let's look at these entries in a little more detail.

## Applying Standardization: Describing the Sale Type



Sale Type

Sale Type	Abbreviation
REO Sale	REO
Short Sale	Short
Court Ordered Sale	CrtOrd
Estate Sale	Estate
Relocation Sale	Relo
Non-Arms Length Sale	NonArm
Arms Length Sale	ArmLth
Listing	Listing

In the Contract section of the appraisal report form, you must indicate whether you analyzed the contract. You must then indicate the type of sale for the transaction. In the Sales Comparison Approach section, you must enter the sale type on Line 1 of the Sale or Financing Concessions field for the subject property and the comparables. Here are the sale types and their abbreviations. To select the Sale Type, start at the top of this list and select the first one that applies.

When you're ready, click *Next*.

## Applying Standardization: Describing the Financing Type and Sales Concessions



Financing Type

### Financing Type

FHA  
VA  
Conventional  
Seller  
Cash  
USDA -- Rural Housing  
Other

### Abbreviation

FHA  
VA  
Conv  
Seller  
Cash  
RH



Sales Concessions

Whole dollars

In the Sales Comparison Approach section, you must enter the financing type on Line 2 of the Sale or Financing Concessions field, followed by the amount of any concessions. Here are the financing types. If the financing type that applies to the transaction is not on this list, enter Other. You must then describe the financing type. Be sure to be succinct in your description; otherwise, your text may be cut off.

After you enter the Financing Type, enter total amount of Sales or Financing Concessions in whole dollars.

When you're ready, click *Next*.

## Applying Standardization: Describing the Date of Sale/Time



Date of  
Sale/Time

### Status Type

Active  
Contract Date  
Settled Sale Date  
Withdrawn Date  
Expired Date

### Abbreviation

Active  
c  
s  
w  
e

### Examples:

c04/10	Pending sale; a contract was placed in April 2010
s06/10;c04/10	Settled sale; settlement in June 2010, contract in April 2010
s06/10;Unk	Settled sale; settlement in June 2010, contract date unknown

In the Sales Comparison Approach section, you must also enter the status of each comparable sale in the Date of Sale/Time field. The valid status types and their abbreviations are listed here. Follow each status type with the date, in month/year format. The examples show some of the status types.

The first example shows a pending sale – the contract date is April 2010. In the second example, we see a settled sale. The settlement occurred in June 2010; the contract was placed in April 2010. The third example also shows a sale that settled in June 2010; however, the contract date is unknown.

When you're ready, click *Next*.

## Additional Resources



- Fannie Mae resources:
  - [Uniform Appraisal Dataset](#) page
  - [Learning Center](#)
  - Email:  
uad\_questions@fanniemae.com
- Freddie Mac resources:
  - [Uniform Appraisal Dataset](#) page
  - [The Learning Center](#)

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We hope that this overview has strengthened your understanding of the changes coming with the Uniform Appraisal Dataset. To help you learn more about these important changes and apply those changes to your business, consult the resources listed here. And, remember to look in the Attachments section of this presentation. It contains a PDF version of the slides and notes, job aids that you can use as quick references to the abbreviations, ratings, and descriptions; and links to additional information on the other pages listed here.