

Uniform Appraisal Dataset

(UAD)

What it is: The UAD is the appraisal component of the Fannie Mae/Freddie Mac Uniform Mortgage Data Program (UMDP). The purpose of the UMDP is to "enhance the accuracy and quality of loan data delivered to each GSE".

What does it do: The UAD standardizes certain data points in the appraisal process including:

1. Standardized formats for fields that include dates, currency and other values,
2. Allowable values from a list of choices provided for certain fields
3. Standardized abbreviations to allow more information to fit on the printed appraisal forms
4. Standardized ratings and definitions for the "Condition", "Quality" and "Updated/Remodeled" status of a property.

Will it change the real estate/appraisal/mortgage industries?

Fannie Mae/Freddie Mac's Answer: "The GSEs will each continue to exercise independent business judgment in evaluating and maintaining business terms, credit policies, and analytics. Differences in the assessment and use of the appraisal data will remain due to unique and separate business policies, mortgage products and processes."

The gathering of numerical data will eventually allow the use of more automated valuation models, scoring systems and other decision making processes that don't require appraisers or underwriters. Historically the use of such systems has resulted in unrealistic valuations and loans being denied which should have been approved.

The short term affects will most likely be longer appraisal and underwriting turnaround times and loans being denied due to lenders adopting various acceptable condition rating minimums. At this point no clear guidance has been given on what is the new "average".

What are the significant changes in data gathering/reporting?

Days On Market: Days on market is now defined as the total number of continuous days

Offering Price: The original offering price and history of price changes must be reported

Sale Type: Sale type must now be reported, the allowable choices are:

1. REO sale
2. Short sale
3. Court ordered sale
4. Estate sale
5. Relocation sale
6. Non-arms length sale
7. Arms length sale

Financial Assistance: All financial assistance must be reported. Financial assistance is now defined as: "Financial assistance or concessions paid by any party on behalf of the borrower include both monetary and non-monetary items, including below-market-rate mortgage financing, gifts of personal property, payment of property taxes and/or HOA dues for a period of time, etc."

Site Area: Sites and parcels with less than one acre must be reported in square footage. Sites over 1 acre are to reported in acres to two decimal places.

Property View: A view rating and view factor must be assigned to all sites. The allowed rating choices are: Neutral, Beneficial or Adverse. There are 12 established view factors which include such items as water view, golf course view, industrial view, power lines, etc.

Property Style: Appraisers must use appropriate architectural design type indicators such as "Ranch", "Colonial", "Rambler", "Farmhouse", etc.. Descriptions such as 1 story, 1 1/2 story and 2 story are no longer acceptable.

Condition of the property: An overall condition rating must be assigned from predefined condition categories provided. The appraiser must also report any "material work" done to the kitchen and bathrooms in the last 15 years. The work must be categorized as "not updated", "updated" or "renovated". Specific definitions are provided for each of these terms. The time frames of all "material work" done must be provided in the following intervals: less than one year, one to five years, six to ten years, eleven to fifteen years, or timeframe unknown.

Sale Date of Comps: The appraiser must now report the contract date as well as the closing date of all comps.

Quality of Construction: The appraiser must report a quality of construction rating of the subject and all comps from a list of 6 predefined quality levels.

Basement and Finished Rooms Below Grade: The total square footage of below grade improvements (unfinished basement) must be reported. The finished square footage below grade must be reported. Percentages are not acceptable. The access to the basement must be reported as either "Walk out", "Walk up" or "Interior only". The number and type of finished basement rooms must be reported. The allowable room types are "Recreation Room", "Bedroom", "Bathroom", or "Other".

AMC Reporting: The appraiser is now required to report the name of any appraisal management company involved in the assignment.

The standardized "Condition", "Quality", "Not Updated", "Updated" and "Remodeled" definitions and exhibits as well as the "Standardized Text Abbreviations" are attached. These will be required to read any appraisal prepared for conventional, FHA, USDA or VA mortgages.