

# California Community Colleges Real Estate Education Center (CCCREEC)

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# Disclaimer

While every effort is made to convey accurate information, participants are advised to review the published *Freddie Mac Single-Family Seller/Service Guide* (Guide) for current guide requirements and for any questions relating to policy, purchase, sale and servicing of mortgages.

# Valuation Modernization



# Building Out Options

## No Appraisal Needed



### Automated Collateral Evaluation (ACE)

Loan Product Advisor<sup>®</sup> models and data determine the acceptability of the value and assess the condition and marketability risks



### ACE+ PDR

ACE with a Property Data Report (PDR) performed by a trained data collector to collect property characteristics and photographs

## Appraisal



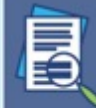
### Desktop Appraisal

Appraiser develops appraisal using reliable data sources without inspecting the property



### Hybrid Appraisal

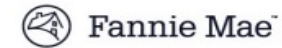
Appraiser develops appraisal using a PDR and other reliable data sources



### Traditional Appraisal

Appraiser performs interior and exterior inspection and uses reliable sources to develop appraisal

We are focused on developing valuation methods that provide the best risk mitigation while promoting consistent valuation outcomes, simplifying the loan manufacturing process and reducing costs.



## What is the UAD and Forms Redesign Initiative?

As the name implies, this is an effort to update the UAD – the dataset behind appraisal forms submitted to Fannie Mae and Freddie Mac (the GSEs) – and align it with the current industry-standard [MISMO](#) Reference Model. It will also mean replacing all the existing GSE forms with a single flexible and dynamic report.

The GSEs are doing this work at the direction of the Federal Housing Finance Agency (FHFA) as part of the Uniform Mortgage Data Program® (UMDP®). This effort is guided by input and feedback from over 100 industry stakeholders through interviews, consultations, surveys, and virtual bulletin boards.

### Appraisal Forms Being Replaced

Uniform Residential Appraisal Report (1004 / 70)

Individual Condominium Unit Appraisal Report (1073 / 465)

Exterior-Only Inspection Individual Condominium Appraisal Report (1075 / 465)

Exterior-Only Inspection Residential Appraisal Report (2055 / 2055)

Manufactured Home Appraisal Report (1004C / 708)

Small Residential Income Property Appraisal Report (1025 / 72)

Individual Cooperative Interest Appraisal Report (2090)

Exterior-Only Individual Cooperative Interest Appraisal Report (2095)

Appraisal Update and/or Completion Report (1004D / 442)

Single-Family Comparable Rent Schedule (1007 / 1000)

Uniform Residential Appraisal Report (Desktop) (1004 Desktop / 70D)

Uniform Residential Appraisal Report (Hybrid) (1004 Hybrid / 70H)



## New Uniform Appraisal Dataset

...to bring you a single standardized report for any residential property type.



### Appraisal Reports in the Current UAD 2.6 XML File Single-Family & Condo

1004/70	1073/465
1075/466	2055/2055

### Appraisal Reports Not Currently UAD-Compliant Cooperative, Manufactured Home, 2-4 Unit, Rent Schedule, & Update/Completion

1004C/70B	2090
2095	1025/72
1004D/442	1007/1000

### Multi-Year UAD Project

Seek industry input to help drive this work:

- Review all data in the current appraisal forms and the UAD 2.6 Specification
- Determine what information can be removed and what will remain
- Review legacy form descriptions to determine new discrete data needs
- Review addenda and description information to determine new discrete data elements
- Determine relative information to support the value conclusion, marketability, and/or eligibility

### New UAD Delivery Specification

### The URAR Data-Driven Output

- Reports only relevant data
- Dynamic based on input
- Easy-to-read appraisal analysis and conclusion
- Standardized, well-structured, readable
- Discrete data, pertinent commentary, and photos contained in the relevant sections, designed to reduce reliance on addenda



Find more information on our websites

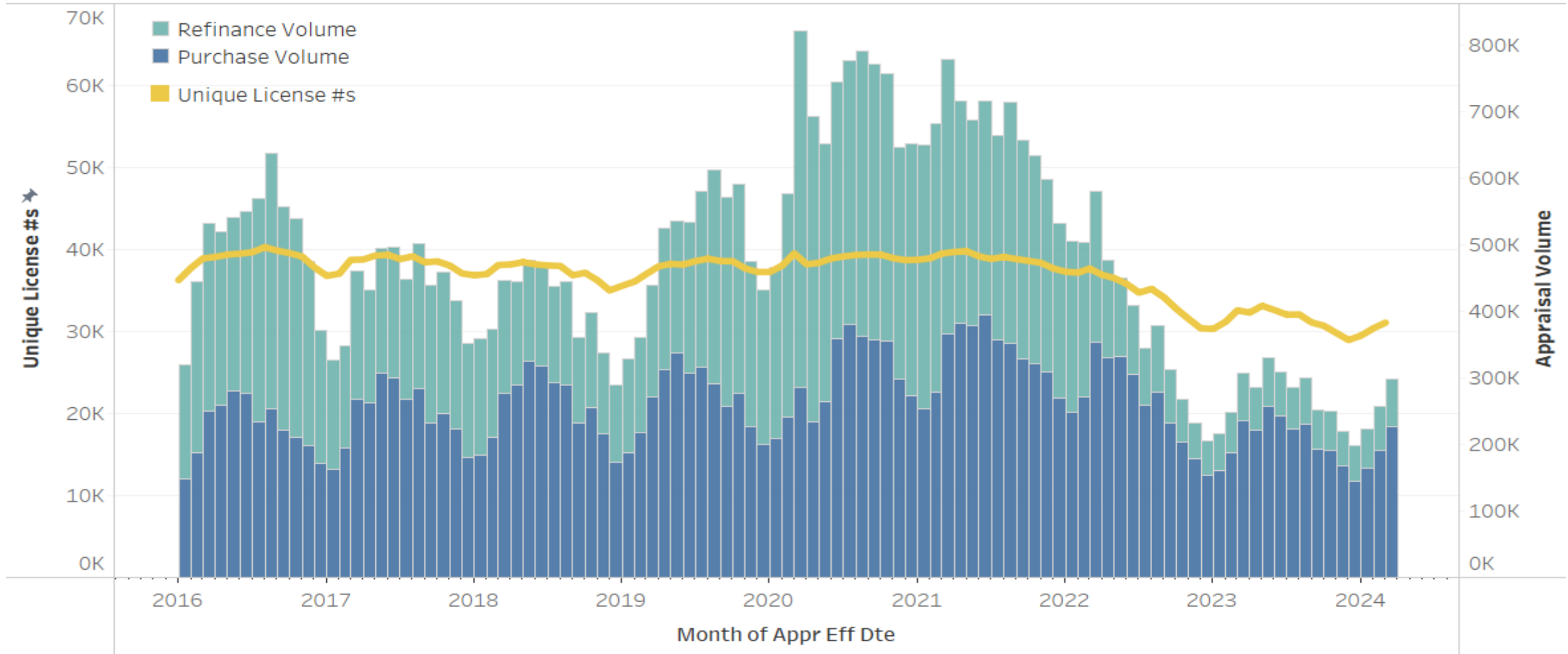
[fanniemae.com/uad](http://fanniemae.com/uad)  
[sf.freddie.com/uad](http://sf.freddie.com/uad)



The UMDP is an effort undertaken jointly by Freddie Mac and Fannie Mae at the direction of the Federal Reserve Board.



# Appraiser Capacity & Volume – (through end of March 2024)



Unique appraiser license numbers in UCDP, per month. Volume includes all form types (not limited to 1004/70). January 2016 to March 2024.



[sf.freddiemac.com/appraisers](https://sf.freddiemac.com/appraisers)

Sign up for Appraisals and Collateral Valuation to receive the latest trends, insights, offerings and best practices.



## Collateral Valuation and Appraisal Resources

Freddie Mac is committed to reinforcing the integral role of appraisers and appraisals in the mortgage process, while developing new and enhancing existing valuation methods. Our goal is to purchase loans supported by the most reliable and appropriate valuation methods available to mitigate the risk associated with default.

### Appraiser Capacity

Get monthly insight into the number of appraisals submitted to the Uniform Collateral Data Portal® (UCDP®) in comparison to the number of active appraisers.

[APPRAISER CAPACITY PDF](#)



### Collateral Valuation Spotlight



#### Q&A with Freddie Mac's SF Chief Appraiser: Focus on the Right Words and Phrases for More Objective Appraisal Reports

Single-Family Chief Appraiser, Scott Reuter, answers questions about the importance of using objective, fact-based language in appraisal reports.



#### How Less Risk, More Flexibility and a Better Borrower Experience Are Driving the Future of Valuation

Collateral valuation has come a long way in a short time. Non-traditional solutions including desktop and hybrid appraisals and appraisal waivers are starting to gain mainstream adoption.



#### Appraisal Modernization: A Spectrum of Collateral Valuation Options

Learn about our appraisal modernization efforts and the spectrum of options available that can create efficiencies that may help save time and lower costs in the appraisal process.