

Lender Letter LL-2010-15**December 16, 2010****TO: All Fannie Mae Single-Family Lenders****Uniform Appraisal Dataset and Uniform Collateral Data Portal****Introduction**

In an effort to enhance appraisal data quality and consistency and promote the collection of electronic appraisal data, Fannie Mae and Freddie Mac, at the direction of their regulator, the Federal Housing Finance Agency (FHFA), have worked together to develop the Uniform Appraisal Dataset (UAD) and the Uniform Collateral Data Portal (UCDP).

This Lender Letter includes an overview of the following:

- Fannie Mae and Freddie Mac Uniform Appraisal Dataset requirements
- Uniform Collateral Data Portal
- Future updates to Fannie Mae policies

The information in this Lender Letter that pertains to the UAD requirements and UCDP is similar to the information being issued concurrently by Freddie Mac. The future updates pertain to Fannie Mae's policies only and will align the *Selling Guide* with the UAD requirements.

Fannie Mae and Freddie Mac Uniform Appraisal Dataset Requirements

Fannie Mae and Freddie Mac have created the *UAD Specification* document to provide business and technical requirements for implementation of the UAD. The UAD includes all data elements required to complete the following appraisal report forms (collectively referred to as the "four UAD appraisal report forms"):

- *Uniform Residential Appraisal Report* (Fannie Mae Form 1004)
- *Individual Condominium Unit Appraisal Report* (Fannie Mae Form 1073)
- *Exterior-Only Inspection Individual Condominium Unit Appraisal Report* (Fannie Mae Form 1075)
- *Exterior-Only Inspection Residential Appraisal Report* (Fannie Mae Form 2055)

The UAD also standardizes the input values for certain elements (e.g. specific date and dollar amount formats) and standardizes the definitions for select key appraisal data elements (e.g. property condition and quality of construction) on the four UAD appraisal report forms.

The UAD is required for appraisals with effective dates on or after **September 1, 2011** that are completed on the four UAD appraisal report forms. Only conventional mortgages sold to Fannie Mae that are accompanied by one of the four UAD appraisal report forms must meet this requirement.

Other appraisal report forms may be completed using the standards contained in the *UAD Specification* to the extent those standards are applicable to that particular form. In addition, although not required, the UAD may be used for appraisal reports with effective dates prior to September 1, 2011.

The *UAD Specification* may be amended from time to time. The current version of the *UAD Specification* can be found on eFannieMae.com.

Uniform Collateral Data Portal

On May 1, 2009, Fannie Mae notified lenders in Announcement 09-11, *Mortgage Loan Data Requirements*, that submission of electronic appraisal data elements would be required for mortgage loan applications dated on or after January 1, 2010. Subsequent to that Announcement, the effective date was postponed and Fannie Mae began working with Freddie Mac, at FHFA's direction, to develop a common approach to the standardization and collection of appraisal data. As a result of that collaborative effort, the UCDP was developed to serve as the joint portal through which lenders will submit electronic appraisal reports to Fannie Mae (and Freddie Mac).

Effective for all conventional mortgage loans for which an appraisal report is required and with application dates on or after **December 1, 2011** and delivery dates on or after **March 19, 2012**, the following appraisal report forms, including all exhibits, addenda, and photographs, must be submitted to UCDP before the delivery date of the mortgage loan to Fannie Mae. This includes the four UAD appraisal report forms and four additional forms:

- *Uniform Residential Appraisal Report* (Fannie Mae Form 1004)
- *Manufactured Home Appraisal Report* (Fannie Mae Form 1004C)
- *Small Residential Income Property Appraisal Report* (Fannie Mae Form 1025)
- *Individual Condominium Unit Appraisal Report* (Fannie Mae Form 1073)
- *Exterior-Only Inspection Individual Condominium Unit Appraisal Report* (Fannie Mae Form 1075)
- *Exterior-Only Inspection Residential Appraisal Report* (Fannie Mae Form 2055)
- *Individual Cooperative Interest Appraisal Report* (Fannie Mae Form 2090)
- *Exterior-Only Inspection Individual Cooperative Interest Appraisal Report* (Fannie Mae Form 2095)

The submissions to UCDP must consist of either an acceptable Extensible Markup Language (XML) data stream, including an embedded Portable Document Format (PDF) file, or a first-generation PDF file. The PDF file must include all exhibits, addenda, and photographs, including the *Market Conditions Addendum to the Appraisal Report* (Fannie Mae Form 1004MC). Refer to the *UAD Overview* on eFannieMae.com for a list of acceptable XML formats.

Lenders may deliver appraisal reports through UCDP as soon as the portal becomes available, which is currently scheduled for June 2011. Fannie Mae will notify lenders when the portal is available.

Appraisal report forms not listed above must not be delivered through UCDP.

Future Updates to Fannie Mae Policies

As noted above, the *UAD Specification* provides standardized definitions for property condition and construction quality. The new definitions are expressed as a rating. Property condition will be rated C1 - C6, and quality of construction will be rated Q1 - Q6. Refer to the *UAD Specification; Appendix D, Field-Specific Standardization Requirements; Exhibit 1, Requirements - Conditions and Quality Ratings Usage*, for the definitions and for additional information.

The *Selling Guide* will be updated no later than the required implementation date of the UAD to reflect these standardized definitions. B4-1.4-15, Appraisal Report Review: Property Condition of the Improvements of the *Selling Guide*, will be updated to indicate that condition ratings C1 – C4 will be eligible for delivery in “as-is” condition. Condition ratings C5 and C6 will be applicable if the appraiser identifies physical deficiencies that affect the soundness, structural integrity, or livability of the subject property. Mortgage loans secured by properties with these ratings will be eligible for delivery, but the required repairs must be completed before the mortgage is delivered to Fannie Mae. Additionally, the *Selling Guide* will be updated to reflect that mortgage loans secured by properties with construction quality ratings Q1 – Q5 will be eligible for delivery to Fannie Mae, but properties with a quality rating of Q6 will not meet Fannie Mae’s property eligibility requirements.

Lenders who have questions about this Lender Letter should contact their Customer Account Team.

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