Servicing Notice

Property Valuation

January 8, 2014

Announcement SVC-2013-06, *Miscellaneous Servicing Policy Updates*, introduced the requirement for servicers to place all valuation orders directly with Fannie Mae to determine the market value of property for short sales and, if required by Fannie Mae or a mortgage insurer, for Mortgage Releases™ and foreclosure sale bidding instructions. This valuation ordering process should not be used in conjunction with mortgage loan modifications.

As a reminder, for mortgage loan modifications, the servicer must obtain a property valuation using Fannie Mae's Automated Property Service™ (APS for NPV), Freddie Mac's automated valuation model (AVM), or a third-party AVM, provided that the APS or other AVM renders a reliable confidence score (as stated in Part VII, Section 602.02.03: Property Valuation, of the *Servicing Guide*). If the APS or AVM does not render a reliable score or if required by applicable state law, the servicer must obtain its own property valuation using a BPO or an appraisal.