

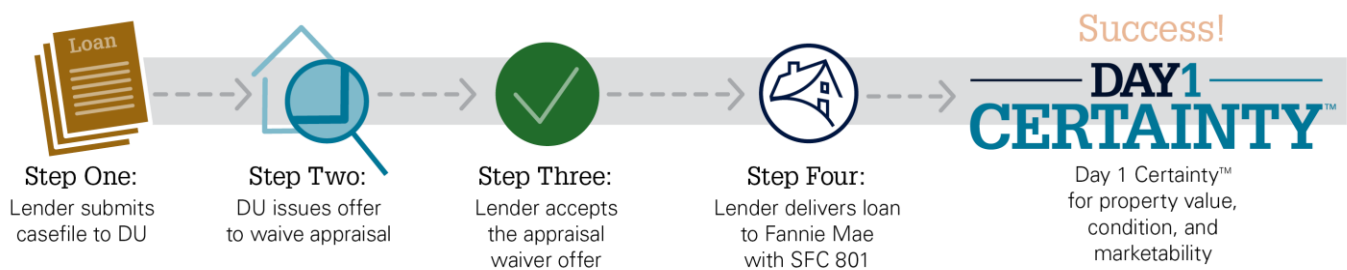


Property Inspection Waiver Fact Sheet

August 18, 2017

Does every loan delivered to Fannie Mae require an appraisal? What if we have a recent appraisal on file? In some cases, we may be willing to waive the appraisal for certain transactions with the borrower's OK.

Property inspection waiver (PIW) is an offer to waive the appraisal for eligible transactions. PIW offers are issued through Desktop Underwriter® (DU®) using Fannie Mae's database of more than 26 million appraisal reports in combination with proprietary analytics from Collateral Underwriter® (CU™) to determine the minimum level of property valuation required for loans delivered to us.



How it works

PIW is available to all lenders through DU. There are no prerequisites and no registration process.

When a DU loan casefile receives a PIW offer and it is exercised by the lender, Fannie Mae accepts the value estimate submitted by the lender as the market value for the subject property and provides relief from enforcement of representations and warranties on the value, condition, and marketability of the property. The lender is required to represent and warrant that the data (other than the value estimate) submitted to DU is complete and accurate, and lenders must order an appraisal if they have reason to believe that the property's current market value should be confirmed. For example, a property located in an area impacted by a recent disaster should always have an appraisal.

The majority of transactions will *not* receive a PIW offer, which means they require an appraisal by a qualified residential appraiser to establish the market value.

This summary is intended for reference only. All criteria are subject to the formal terms and conditions of the Fannie Mae *Selling Guide*. In the event of any conflict with this document, the *Selling Guide* will govern.

Note: Effective with DU Version 10.1, Desktop Originator® (DO®) loan casefiles underwritten with Preliminary Findings are eligible for the PIW offer.

Benefits of exercising a PIW

- **Increased operational efficiencies.** A PIW can shorten the loan origination process by eliminating the need to obtain and review an appraisal.
- **Day 1 Certainty™.** Exercising a PIW offer relieves the lender from enforcement of representations and warranties on the value, condition, and marketability of the property.
- **Reduced loan origination costs.** A PIW provides a no-cost alternative to an appraisal, while eliminating the expense of appraisal-related delays in the origination process.
- **Ease-of-use.** To exercise a PIW offer, lenders simply provide Special Feature Code (SFC) 801 at time of loan delivery to Fannie Mae.





Eligible and ineligible transactions

Eligible Transactions (effective 8.19.17)	Ineligible Transactions
<ul style="list-style-type: none">• One-unit properties, including condominiums• Limited cash-out refinance transactions:<ul style="list-style-type: none">○ principal residences and second homes up to 90% LTV/CLTV○ investment properties up to 75% LTV/CLTV• Cash-out refinance transactions:<ul style="list-style-type: none">○ principal residences up to 70% LTV/CLTV○ second homes and investment properties up to 60% LTV/CLTV• Purchase transactions:<ul style="list-style-type: none">○ principal residences and second homes up to 80% LTV/CLTV• Loan casefiles that receive an Approve/Eligible recommendation	<ul style="list-style-type: none">• Properties located in a disaster-impacted area• Construction and construction-to-permanent loans• Two- to four-unit properties• Loan casefiles in which the value of the subject property provided to DU is \$1,000,000 or greater• HomeStyle® mortgage products (Renovation and Energy)• DU Refi Plus™ loan casefiles*• Texas 50(a)(6) loans• Leasehold properties, community land trust homes, or other properties with resale restrictions• Cooperative units and manufactured homes• DU loan casefiles that receive an ineligible recommendation• Loans for which the mortgage insurance provider requires an appraisal• Loans for which rental income from the subject property is used to qualify

*[DU Refi Plus](#) loan casefiles continue to be eligible for the DU Refi Plus property fieldwork waiver (PFW).

How to exercise a PIW offer

To exercise a PIW offer on a loan casefile that is eligible for a PIW, the lender must, at time of delivery, include the Fannie Mae casefile ID and SFC 801 in the loan delivery file to receive representation and warranty relief. Additionally, the PIW offer may not be more than four months old on the date of the note and the mortgage.

If a lender chooses not to exercise the PIW, at a minimum, the lender is required to follow DU's appraisal recommendations to deliver the loan to Fannie Mae.

Note: *DU will not offer a PIW when an appraisal has been uploaded to the Uniform Collateral Data Portal (UCDP) within the prior 120 days from any lender.*

For more information

For more information, reach out to your account team or call 1-800-2FANNIE (1-800-232-6643), Option 1 (technology support).

Information is also available at www.fanniemae.com/singlefamily/property-inspection-waiver