

FORSYTHE FLASH



Appraisal Insights for the Real Estate Professional

September 23, 2005

The New Forms are Coming!

By: Alan Hummel SRA, Sr. Vice President, Chief Appraiser – Forsythe Appraisals, LLC

We're now set to complete the new residential mortgage appraisal forms (that will be required by most residential secondary mortgage participants) prior to the mandatory November 1, 2005 effective date for Fannie Mae and VA, and the January 1, 2006 mandatory date for Freddie Mac. All three GSE's have stated that they will accept appraisals completed on the new forms prior to the mandatory use dates. FHA is requiring the current (pre-March 2005) forms be utilized until further notice, but expect a first of the year time frame for transition to the new forms.

Though the new forms are welcome in that they have been designed in a manner that is in substantial compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) thus eliminating the necessity for some of the cumbersome addendums needed to address those reporting requirements lacking in the older report versions, they do come with some added appraiser requirements. Along with the changes in both the report form and the accompanying assumptions, limiting conditions and certification pages, there is information and analysis not previously required of the appraiser that will require new, or more in-depth, research, analysis and reporting. Because Forsythe appraisers have been educated on the changes, you can rest assured that your transition to the use of the new forms will be a smooth one.

As the forms are new to many of you, I invite you to contact me with any questions on the new forms at alanh@forsytheappraisals.com .

Frequently Asked Questions

Q: Can I have "interior inspections" completed on the new Form 2055?

A: No. The language contained throughout the new forms and instructions from the GSE's are specific that the URAR (FnMa 1004/FrdyMac 70) is used to report appraisals where an interior inspection has been made, and the Form 2055 is specific to appraisals where an exterior only inspection has been made.

Mortgage Rates As of September 22

30 Year Fixed: **5.80%**
15 Year Fixed: **5.37%**
1- Year ARM: **4.48%**

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Coming Soon....

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