

Arc Home Appraisal Valuation Requirements

**** Valuation process applies to ALL Conventional loan programs, property types, # units, etc. ****

All Channels																										
This document should be used as a reference tool in conjunction with Arc's guidelines.																										
<ul style="list-style-type: none">• Standard FNMA GSE Products• Standard FHLMC GSE Products• FNMA/FHLMC Second Home/Investment	<p>Transferred appraisals with an SSR score > 2.5 or no score is returned on a loan with an LTV >70% OR > \$1,000,000 require Arc Home Loan Collateral review. Any warnings from the SSR must be reconciled on the 1008. The Arc Home Collateral Review is not required for Delegated Correspondents. All appraisals must include a successful Submission Summary Report (SSR).</p> <p>FNMA/FHLMC Second Home/Investment: If a PIW/ACE (with or without a PDR) is utilized, an AVM must also be ordered. The AVM (per the below list) must have a minimum Forecast Standard Deviation Score (FSD) and must not be more than 10% below the appraised value utilized on the AUS findings. If the AVM is more than 10% below the appraised value, then an appraisal is required, and the collateral waterfall must be followed. Note: The Fannie Mae Collateral Underwriter (CU) score is required. Only CU SSR may be in the file.</p>																									
<ul style="list-style-type: none">• Access Suite• Edge Suite• Foreign National	<p>PIW/ACE Requirements: Access, Edge and Foreign National: PIW/ACE is not allowed.</p> <p>Appraisal Requirements: All appraisals must include a successful Submission Summary Report (SSR). Note: The Fannie Mae Collateral Underwriter (CU) score is required.</p> <ul style="list-style-type: none">• On transferred appraisals when the SSR score > 2.5 or no score is returned on a loan with an LTV >70% OR > \$1,000,000, an Arc Home Loan Collateral review is required.• For Delegated Correspondents, if an SSR score cannot be obtained, then a CDA from clear capital or field review is required. If an SSR is obtained, any warnings from the Collateral Underwriter (CU) must be reconciled on the 1008. In addition, the Arc Home Collateral Review is not required. <p>The following CDA requirements apply to transferred and non-transferred appraisals:</p> <ul style="list-style-type: none">• When two appraisals are required, if the lower appraised value returns an SSR score ≥ 3.5 OR no score is returned, an Arc Home Loan Collateral review is required.• When one appraisal is required, the following applies:<ul style="list-style-type: none">○ If the SSR score is ≤ 2.5, no additional appraisal review products are required unless determined by the Arc Home Loan underwriter at the time of review.○ If the SSR score is > 2.5, order a CDA and follow the Collateral Waterfall.○ If the SSR score is > 3.5, order a CDA and follow the Collateral Waterfall. An Arc Home Loan Collateral review is required.○ If the SSR score is not returned, order a CDA and follow the Collateral Waterfall. When the SSR score is not returned on a loan with an LTV >70% OR > \$1,000,000, an Arc Home Loan Collateral review is required. <table><tr><th colspan="3">Collateral Waterfall</th></tr><tr><td rowspan="10">Appraisal Review</td><th colspan="2">CDA from Clear Capital</th></tr><tr><th>CDA Value</th><th>Action</th></tr><tr><td>$\leq 10\%$ below* Appraised Value</td><td>Appraised Value may be used.</td></tr><tr><td>> 10% - 20% below* Appraised Value</td><td>The lower of the Appraised Value or CDA value may be used or a field review may be ordered.</td></tr><tr><td>> 20% below* Appraised Value or Indeterminate</td><td>Field review is required. Follow section below.</td></tr><tr><th colspan="2">Field Review</th></tr><tr><th>Field Review Value</th><th>Action</th></tr><tr><td>$\leq 10\%$ below* Appraised Value</td><td>Appraised Value may be used.</td></tr><tr><td>> 10% - 20% below* Appraised Value</td><td>The lower of the Appraised Value or Field Review value may be used or a second appraisal may be ordered.</td></tr><tr><td>> 20% below* Appraised Value</td><td><ul style="list-style-type: none">• 2nd full appraisal is required• Lower of the two appraised values must be used</td></tr></table>		Collateral Waterfall			Appraisal Review	CDA from Clear Capital		CDA Value	Action	$\leq 10\%$ below* Appraised Value	Appraised Value may be used.	> 10% - 20% below* Appraised Value	The lower of the Appraised Value or CDA value may be used or a field review may be ordered.	> 20% below* Appraised Value or Indeterminate	Field review is required. Follow section below.	Field Review		Field Review Value	Action	$\leq 10\%$ below* Appraised Value	Appraised Value may be used.	> 10% - 20% below* Appraised Value	The lower of the Appraised Value or Field Review value may be used or a second appraisal may be ordered.	> 20% below* Appraised Value	<ul style="list-style-type: none">• 2nd full appraisal is required• Lower of the two appraised values must be used
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<ul style="list-style-type: none">• Elite Jumbo Prime• Marquee Jumbo	<p>All appraisals must include a successful Submission Summary Report (SSR). Note: The Fannie Mae Collateral Underwriter (CU) score is required.</p> <ul style="list-style-type: none">• Transferred appraisals are NOT acceptable, regardless of the SSR score.• For Delegated Correspondents, if an SSR score cannot be obtained, then a CDA from clear capital or field review is required. If an SSR is obtained, any warnings from the Collateral Underwriter (CU) must be reconciled on the 1008. In addition, the Arc Home Collateral Review is not required. <p>The following CDA requirements apply to transferred and non-transferred appraisals:</p> <ul style="list-style-type: none">• When two appraisals are required, if the lower appraised value returns an SSR score ≥ 3.5 OR no score is returned, an Arc Home Loan Collateral review is required.• When one appraisal is required, the following applies:<ul style="list-style-type: none">○ If the SSR score is ≤ 2.5, no additional appraisal review products are required unless otherwise determined by the Arc Home Loan underwriter at the time of review.○ If the SSR score is > 2.5, order a CDA and follow the Collateral Waterfall.○ If the SSR score is > 3.5, order a CDA and follow the Collateral Waterfall. An Arc Home Loan Collateral review is required.○ If the SSR score is not returned, order a CDA and follow the Collateral Waterfall. When the SSR score is not returned on a loan with an LTV >70% OR > \$1,000,000, an Arc Home Loan Collateral review is required. <table><tr><th colspan="3">Collateral Waterfall</th></tr><tr><th rowspan="8">Appraisal Review</th><th colspan="2">CDA from Clear Capital</th></tr><tr><th>CDA Value</th><th>Action</th></tr><tr><td>$\leq 10\%$ below* Appraised Value</td><td>Appraised Value may be used.</td></tr><tr><td>$> 10\%$ below* Appraised Value or Indeterminate</td><td>Field review is required. Follow section below.</td></tr><tr><th colspan="2">Field Review</th></tr><tr><th>Field Review Value</th><th>Action</th></tr><tr><td>$\leq 10\%$ below* Appraised Value</td><td>Appraised Value may be used.</td></tr><tr><td>$> 10\%$ below* Appraised Value</td><td><ul style="list-style-type: none">• 2nd full appraisal is required• Lower of the two appraised values must be used</td></tr></table> <p>* The > 10% variance rule applies when the CDA/Field Review variance is reflecting a lower value than the appraisal. If the CDA/Field Review variance reflects a higher value than the appraisal, the appraisal is fully supported, and an additional valuation is not required.</p>	Collateral Waterfall			Appraisal Review	CDA from Clear Capital		CDA Value	Action	$\leq 10\%$ below* Appraised Value	Appraised Value may be used.	$> 10\%$ below* Appraised Value or Indeterminate	Field review is required. Follow section below.	Field Review		Field Review Value	Action	$\leq 10\%$ below* Appraised Value	Appraised Value may be used.	$> 10\%$ below* Appraised Value	<ul style="list-style-type: none">• 2nd full appraisal is required• Lower of the two appraised values must be used
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Wholesale Important Notes	<ul style="list-style-type: none">• For transferred appraisals, refer to the Transferred Appraisal Policy for additional information.• Each appraisal review product must be completed by a different appraisal company and appraiser than the original appraisal.• Arc Home will order and pay for the CDA, if required. The CDA will be ordered from Clear Capital.• The Broker is responsible for ordering the Field Review AND initiating a Change of Circumstance to include the fee in the loan charges if a Field Review/additional appraisal is required.• If an Agency loan requires an AVM, the AVM must be ordered from one of these approved vendors:<ul style="list-style-type: none">○ Clear Capital– FSD < 0.13○ Freddie Mac Home Value Explorer (HVE) - High confidence level○ Veros/Vero Value – FSD < 0.16																				