

Arc Home Appraisal Valuation Requirements

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

Wholesale

This document should be used as a reference tool in conjunction with Arc's guidelines.

<ul style="list-style-type: none">Standard FNMA GSE ProductsStandard FHLMC GSE ProductsFNMA/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.</p> <p>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 SuiteEdge SuiteForeign 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. <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 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 requiredLower 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% - 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 requiredLower of the two appraised values must be used
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- Elite Jumbo Prime
- Marquee Jumbo

All appraisals must include a successful Submission Summary Report (SSR). **Note:** The Fannie Mae Collateral Underwriter (CU) score is required.

- Transferred appraisals are NOT acceptable, regardless of the SSR score.

The following CDA requirements apply to transferred and non-transferred appraisals:

- When two appraisals are required, if the lower appraised value returns an SSR score ≥ 3.5 OR no score is returned on a loan with an LTV >70% OR > \$1,000,000, an Arc Home Loan Collateral review is required.
- When one appraisal is required, the following applies:
 - 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 **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.

Collateral Waterfall		
Appraisal Review	CDA from Clear Capital	
	CDA Value	Action
	$\leq 10\%$ below* Appraised Value	Appraised Value may be used.
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	Field Review Value	Action
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* 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.

Wholesale Important Notes

- 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:
 - Clear Capital- FSD < 0.13
 - Freddie Mac Home Value Explorer (HVE) - High confidence level
 - Veros/Vero Value - FSD < 0.16