This circular provides an overview of completion requirements that are currently in effect for the LandSafe Land Appraisal Report product. These include the minimum Uniform Standards of Professional Appraisal Practice (USPAP) reporting requirements that are not in the AI Ready versions of the Land Appraisal Report forms.

**Land Appraisal - Report Completion Requirements**

**Land Appraisal Report Form**

One of the following two AIReady Land Appraisal forms must be utilized.

- Form Y2K
- Form FW-68 (Land 2 may be referenced on the form)

If you are unsure, please contact your software form vendor to verify that you have one of these two AIReady versions of the form before proceeding with the assignment.

**Note:** The Land Appraisal Report is not a Fannie Mae/Freddie Mac form.

**Addendum for USPAP Compliance**

The Limiting Conditions and Certification pages on the majority of Land Appraisal Report forms do not meet current USPAP reporting requirements. In order to comply with USPAP, the appraiser must include in an addendum that identifies and/or discusses the following:

- The appraisal report must be prominently labeled as a Summary Appraisal Report
- The purpose of the appraisal report
- The intended use and intended /user
- Definition of Market Value and quoted source (quoted source may not be indicated on appraisal software addendums)
- Exposure Time statement with supporting comments
- Scope of Work includes, but not limited to:
  - Extent to which the property is identified
  - Extent to which the property is inspected
  - Type and extent of data researched
  - Type and extent of analyses applied to arrive at opinions or conclusions
The sales history of the subject property over the past 3 years

Complete listing history of the subject over the past 12 months. The appraiser must include each and every listing, price change, and dates, if available

The effective date of the appraisal

The date the appraisal report was completed/signed

Include one of the following prior service disclosure, as applicable:

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment

OR

I have performed [note type of service(s)] regarding the subject property within the three years prior to this assignment.

Appraiser licensing information, including the state in which the license / certification is located and the expiration date

USPAP Required Comments

In order to comply with USPAP, the appraisal must contain the following analysis and summary comments on:

Appraisal methods and techniques employed and reasoning that supports the analysis, opinions and conclusions. Exclusion of approaches must be explained

Resulting analysis of the subject sales, options and listings

State the use of the real estate as of the date of value and the use reflected in the appraised value in the report.

Highest and Best Use support and rationale

If applicable, clearly and conspicuously state all extraordinary assumptions or hypothetical conditions and state their use might have affected the assignment results.

Identification of the Subject Property

The LandSafe Appraiser is to provide the street name and the legal description that properly identifies the subject parcel on all land appraisal assignments. If the subject has a mailing address, that information is also to be presented. If the subject parcel does not have a mailing address, a comment is required indicating the mailing address was not available.

List the assessor parcel number(s) (APN); this is required, if available, even though it is not a legal description.

If a legal description is unavailable, do not refer the reader to another source for the legal description. Request a legal description from the LandSafe Scheduler and place the assignment on hold until a complete legal description is obtained.
Neighborhood Rating Section

The neighborhood rating checkboxes (Good, Average, Fair, Poor) are not applicable and should not be completed, but a comment indicating that the checkboxes were intentionally left blank must be provided. The remaining neighborhood information must be completed.

The Fannie Mae/Freddie Mac Market Conditions Addendum (1004MC/71) is not required. However, housing price or vacant land price trends must be adequately addressed and supported in the appraisal report.

Highest and Best Use

The highest and best use of the site must be residential. If you determine that the highest and best use is not 1-4 unit single-family residential, stop working on the assignment and contact the LandSafe Scheduler immediately.

Site Eligibility Requirements

The subject lot must be a buildable site. If the subject is vacant land of one or more acres in a rural area, it must have access via all-weather public road. Subject site must have access to electricity on site or by easement and eligible for septic and well or have access to public water and sewer. Notify the LandSafe Scheduler immediately if subject is not eligible.

Note: Refer to the Engagement Letter on Servicing (REO, Write down) orders since eligibility requirements may not apply.

Required Project Development Information

The LandSafe Appraiser must provide comments in the addendum regarding the following information.

- If the subject is a single lot in a developed residential subdivision, the following apply:
  - Include the name of the subdivision
  - The number of lots available
  - The number sold
  - The percentage of lots that have homes built on them
• If the subject lot is not within a subdivision, state the percentage of the lots within the immediate area that have completed homes on them.

➢ If the subject is located in a Planned Unit Development (PUD), provide:
  • The number of lots in the project
  • Description of the amenities and whether they are existing or proposed
  • Amount of Homeowners’ Association (HOA) dues
  • Reasonableness of the dues
  • Any utilities included in the dues
  • General condition of the project
  • Approximate number of lots for sale in the project and the percentage of lots built upon

Private Streets

If the property is not situated on a publicly dedicated and maintained street, then the following conditions must be met:

➢ Private streets must be protected by a permanent recorded easement (non-exclusive and non-revocable easement without trespass from the property to a public street) or the streets must be owned and maintained by a homeowners’ association (HOA).

➢ Evidence of a joint maintenance agreement is no longer required; however, the appraiser should ask the owner/seller/agent if a maintenance agreement exists and comment in the appraisal.

➢ Shared driveways must also meet these requirements

➢ If the private street/driveway is not an all-weather surface, the absence of such must be noted in the appraisal. The appraiser must also comment on the condition of the road.

➢ An all-weather surface is one in which emergency and typical passenger vehicles for the area can pass in all types of weather.

➢ The appraiser must comment on what affect the private/shared street or driveway has on marketability and/or value.

If the property does not satisfy all of the foregoing criteria, the appraiser must stop the assignment and contact the LandSafe Scheduler on how to proceed. The exception would be on an REO land appraisal assignment where an “as is” value is required. The appraiser must analyze and consider any impact to the marketability of the subject property.

Analyze Attributes of the Subject

Compare the subject’s size, topography, shape and drainage to what is typical for its subdivision, as well as its defined neighborhood. Any onsite utilities for the subject and comparables must also be compared and adjusted accordingly.
Comparative Sales

The **LandSafe Appraiser** must analyze relevant market data and select Comparable Sales, Active Listings and Pending Sales based on their proximity to the subject property and physical similarities with residential as the highest and best use.

The Comparable Sales, Active Listings and Pending Sales must **NOT** be selected based on a suggested sales price or range of prices.

If the subject property is being sold by a developer:

- At least one of the three closed comparable sales must be a resale from inside the subject development, or from another competing development, not under the influence of the subject developer/seller. It is not acceptable to only use sales that were sold by the subject developer.
- Active listings and pending sales may be used for additional support.
- The resale or outside sale must be as comparable to the subject as possible in terms of all relevant units of comparison (e.g. site size, view, topography, etc.)
- At least two sales within 90 days must be presented, if available, and at least two of the sales are to be Multiple Listing Service (MLS) sales, if available.

If the event zoning of the comparables are a significantly different from the subject, the report should identify and explain the zoning differences and analyze and report how the differences impacts value.

Active Listing or Pending Sale Comparable

The **LandSafe Appraiser** must include an active listing or pending sale in addition to a minimum of three closed sales. The active listing or pending sale is to be displayed on a Sales Comparison grid using an Additional Comparable Sales page. The data should be labeled as **ACTIVE LISTING OR PENDING SALE** within the “Date of Sale/Time” field. Report the number of Days on the Market (DOM) and adjust for differences between the subject and the active listing/pending sale comparables’ features. If appropriate, adjust the listing price using the typical sale-to-listing price ratio that is occurring in the market area.

Required Exhibits

The following exhibits are required:

- Sketch, if applicable — Appraiser must measure all improvements that contribute to or detract from value. If improvements are a health and safety issue and beyond repair and demolition or removal is recommended a sketch is not required.
- Location Map — Must identify the subject and all comparables
- Photos — Subject front and street views, and a front view of all comparables (sales, active listings, pending sales). If applicable, subject view photo, external obsolescence photo, improvements photos, etc. should be provided.
- Statement of Limiting Conditions and signed Appraiser’s Certification
Plat Map — Showing the subject subdivision (unless not available in an electronic format)

Retrospective Land Appraisal Assignments

The Retrospective Land Appraisal product is utilized to develop a retrospective opinion of value. Refer to the Engagement Letter for:

- The retrospective effective date for the opinion of value being requested.
- Specific Scope of Work Modification Disclosure statement(s) and requirements.
- Reconciliation Comments
- Enhanced Reporting Requirements — Refer to LandSafe Circular 2012-31-E Retrospective 2055 1075 2095 No MC Appraisal Reporting Requirements, dated 10/19/2012.

For REO Land Appraisals Only

Provide a “quick-sale” value based on a 30-day marketing period in addition to a value based on normal marketing time. The Supplemental Real Estate Owned (REO) Addendum is required on REO appraisals and should be available in your appraisal software suite of forms. The REO Supplemental Addendum must include three active listings reflecting the “As-Is” market value opinion (may include the required listing/pending from the sales comparison grid), marketing exposure time, and the required opinions of value. If active listings are unavailable, the appraiser must provide an explanation.

Reporting and Development Requirements

IMPORTANT: Be sure to refer to the Lender Specific Appraisal Assignment Conditions and the Report Scope of Work link in the body of the Engagement Letter for the appraisal assignment development and reporting requirements.

Questions

Should you need additional clarification or have questions, please contact the Resolution and Customer Assistance Team at 800.341.6033.