

FHA Temporary Updated Appraisal Options Due to COVID-19

Appraisal Eligibility		
Transaction Type	LTV	Acceptable Appraisal Type
Purchase	All LTVs	<ul style="list-style-type: none"> Traditional appraisal (interior/exterior) Desktop appraisal Exterior-only appraisal
Rate/Term or Simple Refinance	All LTVs	<ul style="list-style-type: none"> Traditional appraisal (interior/exterior) Exterior-only appraisal
Cash-out Refinance	All LTVs	Traditional appraisal (interior/exterior)
203(k) Purchase or Rate/Term, New Construction and Construction-to-Perm	All LTVs	Traditional appraisal (interior/exterior) and 1004D required
Appraisal Requirements		
Appraisal Type	Requirements	
Desktop Appraisal	<ul style="list-style-type: none"> Forms 1004, 1073, 1025, 1004C as applicable Inspection of subject/comparables, sketch and photos not required 	
Exterior-Only Appraisal	<ul style="list-style-type: none"> Forms 2055, 1075, 1025, 1004C as applicable The property only required to be viewed from the street, and A sketch, interior photos, or rear-view exterior photos not required 	
Completion Report 1004D (1004D required on 203(k), new construction and construction-to-perm transactions; borrower letter not eligible)	If unable to obtain, a letter, signed by the borrower, confirming all work has been completed is acceptable. Additionally: <ul style="list-style-type: none"> Photos of completed work, or Paid invoices, or Occupancy permit(s), or Similar documentation that confirms required work was completed Supporting documentation must be retained in the loan file	