

Originating & Underwriting

Appraiser Update

Periodic updates for residential appraisers serving Fannie Mae customers

Welcome to the Q2 2025 Fannie Mae Appraiser Update.

The new Uniform Appraisal Dataset (UAD) 3.6 and redesigned Uniform Residential Appraisal Report (URAR) moves to the Limited Production Period on Sept. 8, 2025, when approved lenders will begin requesting appraisal reports in the new format. Under UAD 3.6, the appraisal forms will be replaced with a single, dynamic appraisal report encompassing all 1- to 4-unit residential properties. This edition focuses on helping you prepare for the transition.

We start by reviewing key dates leading up to and through the new UAD rollout. Next, we summarize how our *Selling Guide* has changed to support the new UAD. Then we drill down with articles about four related policies, including condo project condition, ANSI square footage terminology, expectations for commentary in appraisal reports, and safety, soundness, and structural integrity. Finally, we highlight the New UAD Appendix F-1 as a key resource for finding answers to your UAD 3.6 questions.

Please use the [Contact Us](#) link at the end of this newsletter to ask us any questions or let us know what you would like to read about in future editions.

Collateral Policy Team
Fannie Mae

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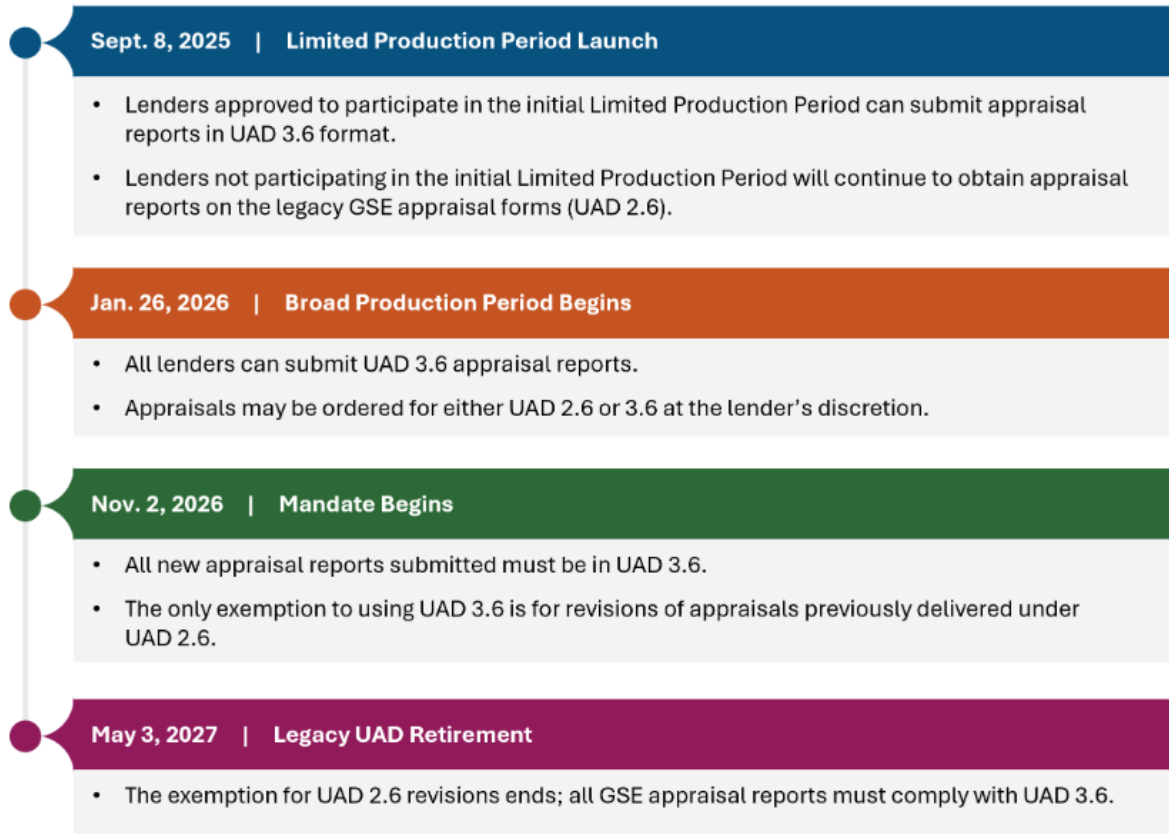
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Countdown to UAD 3.6

Implementation of the new UAD 3.6 and Forms Redesign Initiative will happen in four phases, shown below, with the first phase beginning in less than three months.

Key Dates



Preparing for UAD 3.6

The important thing for appraisers to know is that a few lenders will begin submitting 3.6 appraisals as early as Sept. 8, as part of the Limited Production Period. Appraisers with diversified client bases should be prepared to deliver 3.6 appraisals by that date. Most lenders will adopt later during the Broad Production Period, beginning on Jan. 26.

Government agencies such as the Federal Housing Administration (FHA), the U.S. Department of Agriculture (USDA), and Veteran Affairs (VA) have expressed intentions to adopt UAD 3.6, and will communicate their own implementation plans and timelines.

This means appraisers should be able to generate appraisal reports in either version of UAD from the production launch until at least Nov. 2026.

Here are some actions you can take:



Find out when your appraisal software will be updated to support UAD 3.6 assignments.



Enroll in UAD 3.6 training for appraisers. The GSEs have worked together to create educational materials especially for appraisers. These are available as a seven-hour, state-approved appraiser continuing education (CE) course from several continuing education providers. We also have a shorter (~4 hour) self-serve course, [The Industry's Guide to the New URAR](#), available on our website, but it is not appraiser-specific and is not approved for CE credit.



Communicate with your clients to let them know when you will be ready to deliver appraisal reports in UAD 3.6.

Additional Resources

We recommend appraisers visit our [UAD webpage](#) to find additional resources to prepare for UAD 3.6. It includes the full [UAD implementation timeline](#) and other helpful documents such as Appendix F-1 of the URAR Reference Guide. And, of course, we are always happy to help. Please feel free to contact us directly at uad_info@fanniemae.com.

Selling Guide Changes for UAD 3.6

On June 4, 2025, Fannie Mae added a [supplement](#) to our *Selling Guide* to support appraisal reports in UAD 3.6, since appraisers may be delivering reports in either UAD 2.6 or UAD 3.6 as early as September 2025. The supplement has the same force of policy as the main body of the *Selling Guide* but applies only to UAD 3.6. While the terminology in the supplement has been updated to match UAD 3.6, the intent of the policies has not changed.

Selling Guide readers need to know how to locate both the UAD 2.6 and UAD 3.6 policy. Through Nov. 1, 2026, all UAD 2.6 policy will be found in the *Selling Guide*. However, the *Selling Guide* supplement, which applies to UAD 3.6, can be found on the [Selling and Servicing Guide Communications and Forms](#) page (under the Key *Selling Guide* Resources section) and on the [UAD page](#).

While there are minor related changes throughout the *Selling Guide*, the principal changes are concentrated in these sections:

UAD 2.6 Topics in *Selling Guide*

B4-1.1-06, Uniform Appraisal Dataset UAD and the Uniform Collateral Data Portal UCDP



UAD 3.6 Topics in *Selling Guide Supplement*

Uniform Appraisal Dataset (UAD) and the Uniform Collateral Data Portal (UCDP)

B4-1.2-01, Appraisal Report Forms and Exhibits



Appraisal Reports and Exhibits

B4-1.2-05, Requirements for Verifying Completion and Postponed Improvements



Requirements for Verifying Completion and Postponed Improvements

B4-1.3-02, Subject and Contract Sections of the Appraisal Report



Subject Property, Listing History, Sales Contract, and Prior Sale and Transfer History of the Appraisal Report

B4-1.3-03, Neighborhood Section of the Appraisal Report



Market Section of the Uniform Residential Appraisal Report

B4-1.3-04, Site Section of the Appraisal Report



Site, Disaster Mitigation, and Highest and Best Use

B4-1.3-05, Improvements Section of the Appraisal Report



Dwelling Exterior and Unit Interior Section of the Appraisal Report

B4-1.3-06, Property Condition and Quality of Construction of the Improvements



Dwelling Condition and Quality of Construction



You may notice that some of the topic names are different than before, reflecting changes in language that you will see with the new UAD. One way to think about this is to imagine UAD as a language for appraisal communication. The new UAD is a different language, and the new *Selling Guide* supplement is like a translation of a familiar story into the different language. The story has not changed, but some of the words that tell the story are necessarily different. Information in the supplement has the same force as the rest of the *Selling Guide* but applies only to UAD 3.6.

Access the UAD 3.6 *Selling Guide* supplement from the [Uniform Appraisal Dataset](#) webpage, from the Guide Resources area on the [Quick Reference Materials](#) page, or under the Key *Selling Guide* Resources link on the [Selling and Servicing Guide Communications and Forms](#) page. And remember to bookmark the supplement, so you can easily find it later.

Project Condition

The redesigned URAR contains two new data elements for capturing the condition of the common amenities for condominium, cooperative, or condop projects in the Project section of the new URAR. This clearly differentiates between unit- and project-level defects. Information about the condition of the common amenities helps underwriters determine the eligibility of the project for mortgage lending purposes.

The image on the right shows these new fields in a hypothetical example of a completed URAR for a condominium unit in a midrise building.

The appraiser selects Yes if they observe any combination of deficiency, deferred maintenance, or critical repairs for the overall project that may impact the value or marketability of the subject property. They also include a photo of the physical deficiency in the Project Information Exhibits with the caption “Observed Deficiency” with an additional caption that captures the specific deficiency, location, and any other descriptive information as appropriate.

This is explained in section 18 Projects in [Appendix F-1: URAR Reference Guide](#). See *F-1 for UAD 3.6 Help* in this edition.

To see this mockup in full, download [Appendix D-1 URAR Sample Scenarios and XML Files](#), then open the Appendix D-1 Condo1_Appraisal file.

Uniform Residential Appraisal Report

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Project Information

Planned Unit Development (PUD) ☐ Condominium ☒ Cooperative ☐ Condo ☐

Project Name

The 180

Project Information Data Source

Condominium Questionnaire

Total Units

35

Units Sold

35

Units for Sale

2

Units Rented

0

Reason Units Rented is Estimated

The appraiser was unable to obtain an exact count of renters due to missing data on the Condo Questionnaire.

Monthly Rent

\$1,000

Common Area/Service Included

Built-in Pool

Utilities Included

Water Storage (Resident)

Monthly Rent

\$1,000

Common Area/Service Included

Built-in Pool

Utilities Included

Water Storage (Resident)

Project Completion

Are units, common areas, and amenities in project completed?

Completed in Past 3 Years

Yes ☒ No ☐

Ground Rent

Yes ☐ No ☒

Observed Deficiencies

Description of Deficiencies: There is on-going renovation of balconies on the building due to maintenance needs.

Yes ☒ No ☐

Project Factors and Impact to Value/Marketability

Project Factor	Detail	Impact	Comment
Developer/Owner in Control	No	Neutral	
Large Units Ownership of Multiple Units	Controlled Number of Units Owned: 2	Neutral	
Commercial Space	No	Neutral	Commercial space in a common area.
Recent Legal Actions	Yes	Neutral	There is existing litigation due to a contract issue experienced by the building company that has worked on the property. The litigation concerns an issue of non-payment to the building company for repairs made to the roof of the subject building.
Unit Transfer Fees	None	Neutral	
Unit Special Assessments	Existing \$1,000	Neutral	Highlight Impact: Project Building Requires for establishment of a Reserve Fund for the project. Term of special assessment is 2 years.
Unit Tax Reductions or Exemptions	None	Neutral	

Project Factors Commentary

The total special assessment for the unit is \$1,000. This outstanding special assessment is considered typical for this type of building in this market area, so no further analysis is necessary.

Project Information Commentary

Changes to Our Square Footage Policies

To enhance consistency with UAD and with American National Standards Institute® (ANSI®) Z765-2021 (ANSI standard) nomenclature, we have retired the terms *gross living area* (GLA) and *basement* from the *Selling Guide*. These are now referred to as *above-grade finished area* and *below-grade finished area*. Additionally, the *Guide* defines *nonstandard finished area* and *noncontinuous finished area* to bridge the gap between ANSI's definition of finished area and unfinished area.

We have also retired the GXX001- exception code. Appraisers are required to fully comply with the ANSI standard for applicable property types, effective Aug. 8, 2025. The standard itself defines how to manage exceptions through declarations for:

- 1 homes with exterior measurements only (note: Fannie Mae does not allow exterior-only appraisals);
- 2 proposed or under-construction appraisals relying on plans rather than physical measurements, and
- 3 situations where it is physically impossible to measure the home due to factors such as steep terrain.

Appraisers should study the ANSI standard to gain an in-depth understanding of when the declarations are needed.

NOTE: Fannie Mae does not allow exterior-only appraisals.

Fannie Mae's policy allows alternate measuring standards if mandated by state law or regulatory requirements but does not allow any other exceptions to the ANSI standard.

For appraisers, this also means reporting the finished area in the correct field, regardless of the impact on the Sales Comparison grid. For instance, an earth berm home would have no above grade finished area or room count.

Stay up to date by reviewing [B4-1.3-05](#), Improvements Section of the Appraisal Report section of the Fannie Mae *Selling Guide* and the newly updated [Standardized Property Measuring Guidelines Fact Sheet and FAQ](#).

Comments, Repetition, and Templates

Prescribed Statements

Fannie Mae appraisal reports prescribe a specific *Scope of Work*, *Intended Use*, *Intended User*, *Definition of Market Value*, *Statement of Assumptions* and *Limiting Conditions*, and *Certifications*. Our policy does not allow appraisers to remove, modify, or edit these statements. Also, they can include additional certifications (such as those required by law or related to the appraiser's membership in an appraisal organization) so long as they do not constitute material alterations to the appraisal report. Interestingly, we often see narrative comments added by appraisers that repeat, paraphrase, or, in some cases, conflict with the prescribed statements. Consider this example of a statement made in the comment addendum of a recent appraisal:

"I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved unless otherwise indicated."

Compare that statement to our Appraiser Certification #17:

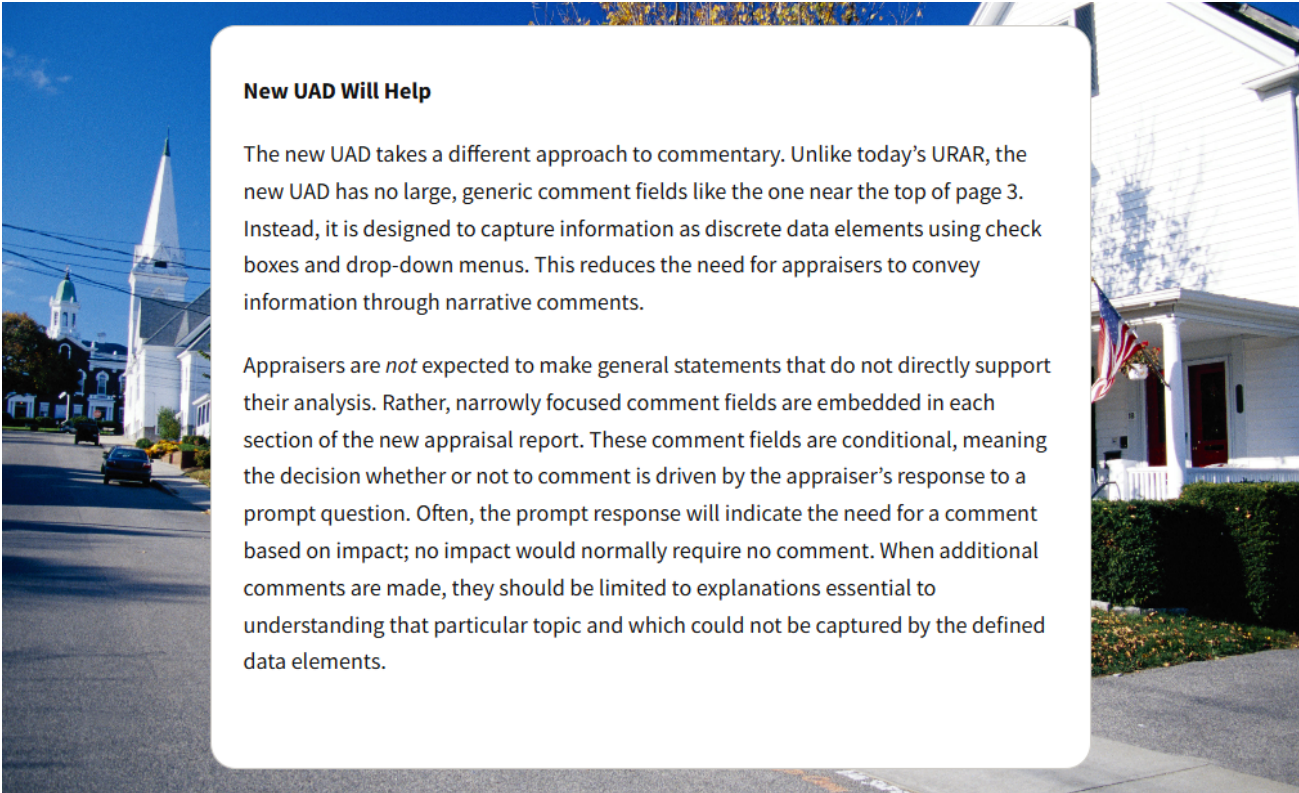
“I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction.”

These are obviously very similar statements. It is striking that the appraiser duplicated certification #17 almost word for word but deleted the parts about having no prospective interest and no bias with respect to the participants. Why was this redundant statement added? Why were certain words left out? This could be interpreted as an attempt by the appraiser to evade the requirements to be disinterested and unbiased.

Restating limiting conditions or certifications is a common appraisal practice. For example, we often see appraisers add comments like “I did not take into consideration race, color, religion, sex, age ...”. This duplicates certification #17 so it is unnecessary. Even worse, it is likely to be identified as a reference to protected classes and trigger additional scrutiny from the lender. The appraiser may be asked to defend the language or remove it, resulting in extra work that could have been avoided.

In short, any duplication or alteration of the prescribed statements causes confusion for the reader and potentially increases the appraiser’s liability.

Another common source of rework for appraisers is the use of templates with statements that are not specific to the particular assignment. This might include census data, subjective commentary about the neighborhood, historical summaries, or generic descriptions of the community or municipality. Unless the appraiser explicitly ties these statements back to support specific appraisal results, they are probably unnecessary and may lead to confusion or compliance issues.



New UAD Will Help

The new UAD takes a different approach to commentary. Unlike today’s URAR, the new UAD has no large, generic comment fields like the one near the top of page 3. Instead, it is designed to capture information as discrete data elements using check boxes and drop-down menus. This reduces the need for appraisers to convey information through narrative comments.

Appraisers are *not* expected to make general statements that do not directly support their analysis. Rather, narrowly focused comment fields are embedded in each section of the new appraisal report. These comment fields are conditional, meaning the decision whether or not to comment is driven by the appraiser’s response to a prompt question. Often, the prompt response will indicate the need for a comment based on impact; no impact would normally require no comment. When additional comments are made, they should be limited to explanations essential to understanding that particular topic and which could not be captured by the defined data elements.

Tips and Best Practices

Here are some suggestions for appraisers to successfully navigate appraisal report commentary:

- ✓ Provide comments when necessary
 - Fill in the fields that support specific assignment results
 - Convey essential information that is not captured in discrete fields
 - Clarify specific issues
- ✓ Stop using templates
 - Create comments from scratch
 - Avoid broad generalizations
 - Avoid subjective statements
 - Avoid jargon, use clear language
- ✓ Focus comments on the theme of the particular section of the report
- ✓ Do not repeat or paraphrase existing certifications
 - Rely on our prescribed statements to avoid misinterpretation

Pro tip: you do not need to fill in every open space in this report.

Additional Resources

The Overview section of the [Appendix F-1: URAR Reference Guide](#) (see [F-1 for UAD Help article in this newsletter](#)) lists 26 comment fields, essentially one for each section of the new report. The chapters covering the individual sections provide detailed guidance on when, what, and how to comment.

Safety, Soundness, and Structural Integrity

Fannie Mae's *Selling Guide* requires appraisers to report any physical deficiencies affecting the “safety, soundness, or structural integrity of the property” and lenders to confirm that such deficiencies are remedied prior to delivery of the loan. The new UAD does not use the term “safety” because it is viewed as a subset of property soundness or structural integrity.

To align language with the new UAD, the UAD 3.6 *Selling Guide* Supplement does not include the term “safety” as it relates to the soundness or structural integrity of the subject property.

Incidentally, the new UAD requires appraisers to report any defects, damages, and deficiencies for six sections of the new URAR: *Site, Dwelling Exterior, Unit Interior, Outbuilding, Vehicle Storage, and Subject Property Amenities*. This is a change from the all-in-one structure of the legacy appraisal forms. All defects, damages, and deficiencies are displayed in the URAR Reconciliation section. Those requiring action also appear in the new URAR Summary section.

F-1 for UAD 3.6 Help

The Appendix F-1: URAR Reference Guide and its supplement are invaluable resources to help appraisers adopt UAD 3.6. The Reference Guide is a PDF that explains how to enter information and how the data will be displayed in the URAR. The supplement is a spreadsheet that summarizes information about the Comparable Grids. Together, these documents contain nearly 400 pages of detailed information which serves as both a user manual and a dictionary. Becoming familiar with their structure will enable appraisers to quickly find answers to specific questions.

The Reference Guide begins with a Revision History. Next comes a **Table of Contents** with links to an Introduction, Overview, Header and Footer, 29 numbered chapters, and four appendices, including new and improved Condition and Quality Ratings Definitions. While there isn't space here to cover everything, we'll highlight how it is organized and what you should pay attention to particularly.

1 Don't skip the Overview!

It conveys a wealth of information on key topics including:

- the new sections of the URAR
- document conventions for the Reference Guide
- units and ADUs
- PUDs, condos and cooperatives
- attachment type, structure design, and construction method
- types of structures
- adverse, neutral, or beneficial impact
- defects, damages, and deficiencies
- list of comment fields
- guidance for photos, exhibits, and maps

2 Become familiar with the numbered chapters.

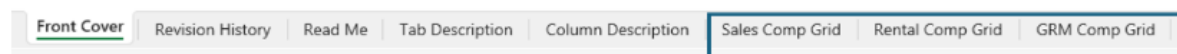
Each corresponds to a section of the URAR. Topics begin with a list of related data elements, followed by a table with a row for each of the data elements listed and five descriptive columns for:

- Report Field ID
- Report Label
- When to Include
- Allowable Answers / Format
- Definition / Additional Guidance

Pro tip: Once familiar with the structure of the Reference Guide, you can use it like a dictionary or a user manual. A simple way to find what you need is through a word search. Just type CTRL+F and enter a key word to search for a topic of interest.

Let's not forget the Appendix F-1: URAR Reference Guide **Supplement** which is a separate document from Appendix F-1: URAR Reference Guide. Why take the trouble of opening a second document? The UAD 3.6 revolutionizes the sales comparison grid, now with more than seventy possible rows to compare features and enabling the appraiser to add additional rows as needed. The rent comps and income analysis grids work similarly. To realize the potential that this new structure creates for appraisers to deliver dynamic, customized reports, familiarity with the Supplement is a must.

Because it is a spreadsheet, the information is organized in sheets that are accessed by clicking on the tabs at the bottom of the document. The last three tabs are the most important for appraisers, covering the three grid sections of the URAR:



The Sales Comp Grid, Rental Comp Grid, and GRM Comp Grid are the most important for appraisers and cover the three grid sections of the URAR: (1) Sales Comparison Approach, (2) Rental Income, (3) Income Approach.

Again, the information is organized in tables where each row corresponds to a row in the actual grids. Columns include:

- Report Label
- Row Always Displays
- Row Displays if Applicable
- Row Displays if Relevant
- Adjustable Row
- Rental Comps (comparison)

Row Displays if Applicable means the row is mandatory but only when the feature exists, while **Row Displays if Relevant** means the row will conditionally display when relevant, based on the property characteristics reported by the appraiser.

Now that you have an idea how Appendix F-1: URAR Reference Guide and its supplement are organized, there's no need to memorize them. Simply download and keep them handy to find answers later, as needed. You can [download them here](#).