

As Is & As Repaired Value (2 Value) Report Engagement Letter

This assignment is for an “Appraisal Report” and NOT a “Restricted Appraisal Report”; please ensure you are using the appropriate form type

Procedures

- All reports MUST contain a signed & completed, stand-alone, FIRREA/USPAP Addendum, USPAP Addendum, Appraiser Independence Certification **OR** the most current compliant statements within the body of the report regarding addendum data and the reporting of parcel #, etc.
- 1004MC form in all reports.
- Farm list of comparable properties.
- Unless specified within the order, appraisal reports are to be completed “*Subject To*” in the reconciliation section of your report.
- **Scope of Work** must include commentary on the two values requested:
 - “**As-Is (AIV)**” and “**After Repair or Subject To**” value (ARV)” value, as well as any extraordinary assumptions and/or hypothetical conditions used within the report:
 - **ARV** - Comp grid #1 - #3 will represent the “**ARV**” value - “ARV” is based on the “**extraordinary assumption**” that improvements and repairs are completed and that the subject property's “**hypothetical condition**” is that of a C1/C2/C3. UAD condition rating. “**ARV**” comparable sales should be in a similar condition to the subject's hypothetical “After Repaired” UAD condition rating.
 - **AIV** - Comp grid #4 - #6 will represent the “**As-Is**” value - The appraiser shall determine the proper rating based on their field observation, generally C4/C5/C6 UAD condition rating. Any information provided by the client will be from assessor records, local MLS data, borrower's data, and/or aerial satellite images.

*When two values are required (“AIV” and “ARV”), it is recommended that the appraiser utilize a **Supplemental Value Addendum**, available in the forms library within most appraisal software platforms. This addendum enables the appraiser to present two distinct sets of comparables and report two separate value conclusions clearly and in compliance with assignment requirements.*

- *If the subject is a vacant site, the “As-Is” value may reflect land value only—this must be clearly stated in the report.*
- *If the subject is under construction, the “As-Is” value must reflect the value of improvements in place as of the inspection date.*

The primary grid should reflect the “As-Repaired” value; the “As-Is” value and supporting commentary should be presented in the supplemental addendum.

- **Photos –**
 - Photo of the posted subject mailing address for property verification.
 - If the subject or comparable sale is not visible from the street level the appraiser should take photographs of what is observed **and** provide a copy of the MLS photo in the report.
 - Photographs of all comparable sales, rental comps, and/or comparable listings, when applicable.

