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Agency LPA Desktop Appraisal Eligibility

Truist Bank (Truist) aligns with Freddie Mac and now permits an option to use a desktop appraisal in lieu of an interior and exterior inspection appraisal for Loan Product Advisor[®] (LPASM) purchase transactions that meet specific requirements. For certain standard Agency, Agency Plus, Agency Plus Select, Home Possible[®], and CorrAdvantage mortgages, LPA will issue a feedback message indicating that the mortgage is eligible for a desktop appraisal option.

Truist will further align and announce the release of the Fannie Mae Desktop Underwriter[®] (DU[®]) desktop appraisal option in a communication bulletin on March 18, 2022.

Effective Dates

This update is effective for LPA submissions and resubmissions on or after March 6, 2022.

Background Information

Based on the success of the temporary COVID appraisal flexibilities and a market appetite for appraisal options that do not require physical inspections, Freddie Mac Bulletin 2022-2 announced a new desktop appraisal option for certain purchase transactions. In response to this publication, we reviewed impacted guidelines and identified the opportunity to implement revisions to align with Freddie Mac requirements.

Bulletin Details

LPA Desktop Appraisals

For LPA loans, we align with Freddie Mac as follows:

- LPA mortgages that meet the following requirements may be delivered with a desktop appraisal, reported on Freddie Mac Form 70D, *Uniform Residential Appraisal Report (Desktop)*, in lieu of an interior and exterior appraisal:
 - Each mortgage must be an Accept mortgage
 - The last Feedback Certificate must indicate that the mortgage is eligible for a desktop appraisal
 - Each mortgage must be a purchase transaction mortgage secured by a 1-unit primary residence
 - Each mortgage must have a loan-to-value (LTV) ratio less than or equal to 90%. For purposes of desktop appraisal eligibility, the LTV ratio is calculated using the sales price.
 - New *Uniform Residential Appraisal Report (Desktop)* Form 70D is required, which includes the requirement that the appraiser include a floor plan with dimensions and interior walls
- The following mortgages are not eligible for a desktop appraisal:
 - Mortgages secured by a condominium unit
 - Mortgages secured by a leasehold estate
 - Mortgages secured by a property that is undergoing renovation or rehabilitation
 - Mortgages secured by mortgaged premises subject to resale restrictions
 - GreenChoice Mortgages
 - ChoiceRenovation Mortgages

Product Release

Information for Correspondent Lenders of Truist Bank
March 4, 2022 • COR22-008



Bulletin Details, continued

LPA Desktop Appraisals, continued

- The appraisal must be upgraded from Freddie Mac Form 70D to Form 70, *Uniform Residential Appraisal Report*, when one or more of the following conditions exists:
 - The appraiser cannot obtain sufficient information about both the interior and exterior physical characteristics of the subject property from third-party data sources in order to develop an accurate and adequately supported appraisal
 - The appraiser cannot reconcile significant discrepancies (e.g., room count, gross living area, size, condition, etc.) among available data sources
 - The subject property is undergoing renovation or rehabilitation
 - The data sources used to develop the appraisal, including the sales contract, reflect the presence of physical deficiencies or an adverse condition(s) indicating the property has a condition rating of C5 or C6 or the quality rating is Q6

Before and After Matrix

[Click here](#) to see the before and after matrix that provides a detailed overview of the guideline updates.

Revised Materials

Click [Appraisal Guidelines](#) and [Agency Loan Programs](#) to review the revised product materials.

Former Guidelines

See the before and after matrix provided in the Bulletin Details section of this bulletin to access the former guidelines.

Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Contact Correspondent Relations Coordinators at 800.382.2111, Option 1.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 3.

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