



Preparation of Appraisal :	Chase Requirements :
Assigned Appraiser Authorized Appraiser Appraiser Trainee	Appraisal Prepared by Trainee acceptable only if counter-signed by eligible Supervisory Appraiser who has performed <u>an interior</u> inspection of property. The Appraiser assigned to the order must inspect the property <u>(including interior, when applicable)</u> . Appraiser must be appropriately licensed in the same state as the subject property is located.
Appraiser Lender/Client Contact	Direct contact with Lender/Client and Appraiser is discouraged. However if direct contact is necessary, it must be done in accordance with the Home Valuation Code of Conduct and with Chase Policy.
Subject Information - All Appraisal Reports:	Chase Requirements:
Property Address	Property address matches request. Notify vendor immediately if it does not.
Borrower Owner of Public Record	Borrower/Owner of Public Record matches request: Notify vendor immediately if it does not.
Assessor's Parcel #	All acreage indicated by Assessor's Parcel #(s) is included in determination of Property's market value.
Property Rights Appraised	Collateral identified as Leasehold Property <u>and/or subject to Ground Rent/Ground Lease</u> : Document comments to indicate if Leaseholds/ <u>Ground Rent/Ground Leases</u> are common for area, readily marketable, and any negative impact on value or marketability and analysis of terms of leasehold/ <u>Ground Rent/Ground Lease</u> . See Sales Comparison Approach – Leasehold /Fee Simple below.
Lender/Client	Name of Lender documented as: JP Morgan Chase Bank, NA



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FNMA/FHLMC Forms 216/998; 1004/70; 1004C/70B; 1004D/442; 1004MC/71; 1007/1000; 1025/72; 1073/465; 1075/466; 2000/1032; 2000A/1072; 2055/2055; 2090; 2095

<p>Currently offered for sale or offered for sale in last 12 months.</p> <p>Report data source(s) used, offering price(s), and date(s)</p>	<p>Sales history of property for past 12 months:</p> <p>All listing and sales activity for the subject occurring within prior 12 months of effective date of appraisal to be indicated in report (including multiple sales, listings, and price changes of subject within the 12 month period).</p> <p><u>When MLS is listed as a data source, provide MLS #.</u></p>
<p>Analyze Contract for Sale</p>	<p>Property indicated as Purchase transaction:</p> <p>The complete sales contract MUST be provided to the appraiser. Appraiser must review contract and provide comments in report that review was performed and data fields completed.</p> <p>When common and customary in certain markets, and only on an exception basis, the appraisal report may be delivered prior to review of the purchase sales contract.</p>
<p>One-Unit Housing Trends - Declining Market Conditions narrative (including support for above conditions).</p>	<p>Declining Market Conditions indicated:</p> <p><u>Declining Market Conditions indicated is supported by data provided in accompanying 1004MC/71 form.</u></p> <p>See additional requirements regarding Comparable Sales Selection in Sales Comparison Approach – Date of Sale below.</p>
<p>One-Unit Housing Predominant Value \$</p>	<p>Predominant Neighborhood Value:</p> <p>Subject Market Value outside +/- <u>20%</u> of predominant neighborhood value requires narrative of justification. <u>Appraiser is required to comment if subject is an over/under improvement and comment on the subject's marketability.</u> (Rounded up/down to nearest \$1,000 is acceptable).</p>
<p>Site Area</p>	<p>Site size/area/acreage:</p> <p>Value attributed to site size must include all acreage of the site, and not a hypothetical portion of the property.</p> <p>Subject Acreage >5 acres:</p> <p>Comments are required to identify if the property size is "Typical" or "Atypical" to area.</p>



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<p>Specific Zoning Classification Zoning Description Zoning Compliance Highest and Best Use</p>	<p>Subject should be legally permissible, highest and best use. Comparables should have same or similar zoning as subject.</p> <p>If subject is legal/ non-conforming:</p> <p>Include comments to indicate if subject is legal, common & customary for the area, effect on marketability and explanation required. Comment if can be rebuilt as same use if damaged or destroyed (including verification source).</p> <p>If subject located in age-restricted community:</p> <p>Provide at least one comp from the same project and at least one comp from competing project. Remaining comps may be from either the same or a competing project.</p>
<p><u>Site</u> Are Utilities and Off Site Improvements Typical for the Market Area</p>	<p>Well, Septic, Utilities, <u>other Off Site Improvements (i.e. Private Road)</u>:</p> <p>If not Public, comment on whether or not common and acceptable in the market and any effect on marketability.</p>
<p>General Description One With Accessory Unit</p>	<p>Property with Multiple Dwellings:</p> <p>If subject contains 2 or more dwellings on 1 lot (except guesthouse), supply at least 2 similar comps.</p>
<p>General Description Type Design</p>	<p>Product/Property Type must match Order:</p> <p>Notify vendor immediately if Product or Property Type of subject does not match Order.</p>
<p><u>General Description</u> <u>Type</u> <u>Design</u></p>	<p><u>Subject identified as Investment Property:</u></p> <p><u>Provide Operating Income Statement (Form 216/998) on all investment properties (including 1-4 Family Investment and 2-4 Family Owner Occupied properties).</u></p> <p><u>Provide Single Family Comparable Rent Schedule (Form 1007/1000) on all investment properties (except on Small Residential Income properties – Form 1025/72).</u></p>
<p>General Description Type Design</p>	<p>Unacceptable Collateral:</p> <p>Notify vendor immediately if subject property is any of the following:</p> <p>Builder model homes (not occupied within 60 days), times share units, condotels, imperfect liens, Manufactured (mobile) homes, undeveloped or agricultural use land, or more than 4 units, <u>condo located in project with “segmented” ownership.</u></p>



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<p>General Description Type Design (cont'd)</p>	<p><u>continuing care retirement community, properties located in Lava Zones 1 or 2 on Island of Hawaii.</u></p>
<p>General Description – Year Built</p>	<p>If Subject is SFR New Construction: At least 1 comp is required from the subject project and 2 from competing project by different builder.</p>
<p>Foundation Heating Source</p>	<p>Alternative Heating Source: If property uses alternative heating source, comments to address if sufficient to heat entire dwelling; permanently affixed, thermostatically controlled, safe & legal; market acceptance of the heating source. Require 2 comps with same/similar alternative heating source.</p>
<p>Narrative Section - Additional Features</p>	<p>Second Kitchens: If property contains second kitchen, verify zoning is legal; second kitchens are typical for area, and/or if In-law suite with separate utilities and entrance(s). Provide cost to cure for removal if not typical. Provide at least 1 comp with similar amenity.</p>
<p>Narrative Section - Additional Features</p>	<p>Outbuildings: No value unless comps have similar outbuildings. Provide outbuilding photos of subject. Comps should bracket subject (i.e. provide one comp with similar outbuilding and one without outbuilding).</p>
<p>Narrative Section - Condition of the Property</p>	<p>Condition less than average (Average (-) Minus Rating or Fair or Poor): Include photos of deferred maintenance, repair items; itemized cost to cure; statement as to what repairs needed to bring subject up to average rating. Appropriate adjustments made to all comps in sales comparison grid for subject condition. Refer to “Reconciliation - This Appraisal is Made AS IS” below.</p>
<p><u>Narrative Section – Condition of the Property</u></p>	<p><u>Subject in process of remodel and/or renovation, or cost-to-cure repairs identified in evaluation:</u> <u>Include itemized cost-to-cure; statement as to what is needed to complete remodel and/or renovation. Appropriate</u></p>



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<p><u>Narrative Section – Condition of the Property (cont’d)</u></p>	<p><u>adjustments made to all comps in sales comparison grid for subject Rehab/Remodel, or cost-to-cure. Refer to “Reconciliation - This Appraisal is Made AS IS” below.</u></p>
<p>Comparable Selection All Appraisal Reports:</p>	<p>Chase Requirements:</p>
<p>Sales Comparison Approach -</p>	<p>Comp Similarity (all features):</p> <p>Comps provided should bracket subject. Include narrative explanation and adjustments, if necessary, for dissimilarities (e.g. – below ground pools, outbuildings, GLA, site size, age, etc.).</p>
<p><u>Sales Comparison Approach – Data Sources</u></p>	<p><u>When MLS is listed as a data source, provide MLS #. This also is applicable for any MLS sales references made in the prior 3-year subject sales history section, and in the prior 12-month comparables sales history section.</u></p>
<p>Sales Comparison Approach – Proximity to Subject</p>	<p>Proximity of comps to subject:</p> <p>Comps should be within the following distances to subject: Urban - 0.5 miles, Suburban - 1 mile, Rural - 10 miles. <u>If comp(s) selected are not within criteria above, appraiser to provide search parameters, time and distance searched, and provide an explanation why Chase requirements could not be met.</u></p>
<p>Sales Comparison Approach – Sales Price</p>	<p>Bracketing of comp Sales Prices to subject:</p> <p>Actual sales prices of comps should bracket subject Market Value. <u>If comp(s) selected are not within criteria above, appraiser to provide search parameters, time and distance searched, and provide an explanation why Chase requirements could not be met.</u></p>
<p>Sales Comparison Approach – Date of Sale</p>	<p>Date of comp Sales – number and type of comps used:</p> <p>Provide a minimum of 3 closed sales, with at least 2 within 6 months of appraisal. Additional sales and listings may be required to support conclusions. <u>If comp(s) selected are not within criteria above, appraiser to provide search parameters, time and distance searched, and provide an explanation why Chase requirements could not be met.</u></p> <p>In Declining Markets – Provide at least 1 comp sale within 3 months of effective date of report and at least 2 other sales within 6 month period (refer to Form 1004MC for additional requirements). <u>If comp(s) selected are not within criteria</u></p>



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<p>Sales Comparison Approach – Date of Sale (cont'd)</p>	<p><u>above, appraiser to provide search parameters, time and distance searched, and provide an explanation why Chase requirements could not be met. (For FHA – refer to instructions for specific product/forms – FHA 1004 Appraisal).</u></p> <p>If Subject is new construction in Declining Market:</p> <p>Provide at least 2 comps from outside subject subdivision (can be post -developer resales or competing builder); and narrative on occupancy trends if there are investor owned properties in the subdivision. <u>If comp(s) selected are not within criteria above, appraiser to provide search parameters, time and distance searched, and provide an explanation why Chase requirements could not be met.</u></p>
<p>Sales Comparison Approach – Leasehold /Fee Simple</p>	<p>Comps Property Rights Assessed:</p> <p>If subject is leasehold property <u>or assessed Ground Rent/Ground Lease Fees,</u> in order to establish market acceptability, at least one comp should <u>also</u> be leasehold property, <u>or assessed Ground Rent/Ground Lease Fees.</u> <u>If comp(s) selected are not within criteria above, appraiser to provide search parameters, time and distance searched, and provide an explanation why Chase requirements could not be met.</u></p>
<p>Sales Comparison Approach – Site Size</p>	<p>Lot Size/Site Size of Comps:</p> <p>Comps should bracket subject lot/site size (i.e. one comp larger than subject, one comp smaller than subject). <u>If comp(s) selected are not within criteria above, appraiser to provide search parameters, time and distance searched, and provide an explanation why Chase requirements could not be met.</u></p> <p>Report site sizes as acreage (i.e. instead of “65,340 sf, use “1.5 acres”; or instead of “70 x 165” use “.27 acres”).</p> <p>If subject lot/site size is >5 acres, provide 2 comps within 20% variance in acreage or detailed commentary of search parameters used with distance & time. Provide land sales to support adjustments</p>
<p>Sales Comparison Approach – Actual Age</p>	<p>Age of Comps:</p> <p>Subject and comp ages should be reported consistently as all Actual or all Effective. Adjustments must be explained and justified.</p> <p>Ages of comps should bracket subject (i.e. provide 1 comp older than subject, 1 comp newer than subject). <u>If comp(s) selected are not within criteria above, appraiser to provide search parameters, time and distance searched, and provide an explanation why Chase requirements could not be met.</u></p>



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<p>Sales Comparison Approach – Gross Living Area</p>	<p>GLA of Comps:</p> <p>At least 2 comps provided within 20% of subject gross living area. <u>If comp(s) selected are not within criteria above, appraiser to provide search parameters, time and distance searched, and provide an explanation why Chase requirements could not be met.</u></p> <p>Comps should bracket subject (i.e. provide 1 comp with GLA larger than subject, 1 comp GLA smaller than subject). <u>If comp(s) selected are not within criteria above, appraiser to provide search parameters, time and distance searched, and provide an explanation why Chase requirements could not be met.</u></p>
<p>Sales Comparison Approach – Net Adjustments Gross Adjustments</p>	<p>Line, Net and Gross Adjustments to comps:</p> <p>Individual Line adjustments to comps not to exceed 10% Net adjustments to comps not to exceed 15% Gross adjustments to comps not to exceed 25%.</p> <p>Adjustments made outside the above criteria must be adequately explained with supporting comments.</p>
<p>Reconciliation - All Appraisal Reports:</p>	<p>Chase Requirements:</p>
<p>Sales Comparison Approach – Adjusted Sales Price of Comparables</p> <p>Reconciliation – Indicated Value</p>	<p>Sales prices and Adjusted sales prices of comps:</p> <p>Sales prices and Adjusted sales prices of comps should bracket Opinion of Value of subject.</p> <p><u>If comp(s) selected are not within criteria above, appraiser to provide search parameters, time and distance searched, and provide an explanation why Chase requirements could not be met.</u></p>
<p>Reconciliation – This Appraisal is made AS IS</p>	<p>Appraisal of subject made “AS IS” :</p> <p>Appraisals are requested to be completed "As Is" with cost-to-cure UNLESS: construction/rehab/remodeling in progress, or items affecting structural soundness / livability, or new construction. Appraisers have discretion, based on their inspection, to make appraisal “Subject To”</p> <p>Include discussion around utilities (on/off) in REO <u>or vacant</u> properties.</p>



Cost Approach to Value:	Chase Requirements :
Cost Approach analysis -	Cost Approach: Required if subject is New Construction or specifically requested by Chase.
Exhibits/Photos/Maps:	Chase Requirements :
<u>Exhibits – Form 1004MC/71 Market Condition Addendum</u>	<u>1004MC/71 Market Conditions Addendum:</u> <u>Completed 1004MC/71 included as an exhibit for all 1-4 Unit Property appraisals (effective 4/1/2009)</u> <u>1004MC/71 Form used is correct Version (dated March 2009)</u> <u>All Market Conditions data provided in 1004MC/71 must support market information and narrative located throughout the accompanying appraisal.</u> <u>All boxes on 1004MC/71 must be completed and reflect data that supports the statistics cited. If not applicable, narrative is to be supplied to indicate full explanation of why data not available.</u> <u>Property Address and Borrower Information on 1004MC/71 matches that of the accompanying appraisal.</u> <u>Appraiser information completed on form and matches that of accompanying appraisal.</u>
Exhibits/Photos/Maps	Building Sketch: Rooms must match subject description and exterior dimensions. Location Map: Subject and all comps geographic characteristics and location indicated in detail. Include a legible street map showing the location of the subject and each of the comparable sales utilized. If substantial distance exists between the subject and comparable sales, additional legible maps should be submitted to show the location of the comparable sales. Photos – Subject: At a minimum, include <u>ORIGINAL</u> , clear photos of subject's front, back, and street. <u>Additional exterior and/or interior photos with descriptive comments may be required to substantiate information provided in appraisal, such as narrative comments, adjustments regarding condition, or</u>



<p>Exhibits/Photos/Maps (cont'd)</p>	<p><u>features that materially impact value made in the report (i.e. CTC).</u></p> <p>If property is new construction, REO, <u>Rehab/Remodel</u>, has an <u>opinion of Market Value of >\$1MM, or if there are any comments or adjustments that materially impact value or marketability.</u> Descriptive interior photos are required.</p> <p>Photos – Comparables (<u>including listings, pending sales, rental comps</u>): Front photos of all comps used in sales comparison to be ORIGINALS. If original photo not possible (i.e. comp obscured by vegetation or trees), provide appraiser’s original photo and MLS photo.</p> <p>Plat Map Plat map of subject is preferred.</p> <p><u>Lava Zone Map exhibit:</u> Required for properties located on the Island of Hawaii.</p>
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In addition to the above requirements, the following requirements apply for the specific products/forms listed below:

Instructions for specific products/forms:	Chase Requirements:
<p>FHA 1004 Appraisal</p>	<p>FHA Case # : Required before proceeding with appraisal</p> <p>FHA Appraiser : Completed by appraiser assigned the order</p> <p>FHA Remaining Economic Life: State REL as single # or range of years. Provide explanation if age <30 years.</p> <p>FHA Final Inspection: To be completed on HUD Compliance Inspection Report (CIR - HUD-92051.</p> <p><u>Provide site value and the statement if the property meets minimum HUD standards.</u></p> <p>FHA report must be completed in accordance with FHA Appendix D -4150.2</p> <p><u>If Declining Market:</u> <u>Provide at least 2 comp sales within 3 months of effective date of report, and at least 2 active listings or pending sales. (Mortgagee Letter 2009-09). If comp(s) selected are not within criteria above, appraiser to provide search parameters, time and distance searched, and provide an explanation why Chase requirements could not be met.</u></p>



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<p>Condo – Form <u>1073/465</u> Exterior and <u>1075/466</u> Interior</p>	<p>Comparable Selection:</p> <p>Provide at least 1 comp from the subject’s project and 1 from a competing project. Additional comps may be from either.</p> <p>Subject Detached Condo:</p> <p>Provide similar detached condo comparables.</p> <p>Condo 1-4 Unit Project:</p> <p>Provide comps from similar development.</p>
<p>Appraisal Update - Form <u>1004D/442</u></p> <p><u>(The Certification of Completion section of this dual purpose form is not included as part of this Appraisal Update requirement)</u></p>	<p><u>The original appraiser should complete and sign the appraisal update. If it is completed and signed by a substitute appraiser, the substitute appraiser must review the original appraisal and express an opinion about whether the original appraiser’s opinion of market value was reasonable on the date of the original appraisal report.</u></p> <p><u>Property information is completed and matches original appraisal information.</u></p> <p><u>Summary Appraisal Update Report checkbox is properly marked.</u></p> <p><u>The question “Has the market value of the subject property declined since the effective date of the original appraisal?” has been answered. The appraiser should provide narrative support of their opinion. NOTE: appraiser is not to provide any addendums or exhibits of additional market data or comparable sales in support of their opinion.</u></p> <p><u>Signatures section is complete.</u></p>
<p>Field Review – Form <u>2000/1032</u> and <u>2000A/1072</u> Section I – Opinion of Market Value</p>	<p>Opinion of Market Value variance from appraisal report being reviewed:</p> <p>Provide 3 new closed sales comps to support variance.</p>
<p>Field Review – Form <u>2000/1032</u> and <u>2000A/1072</u> Exhibits</p>	<p>Photos – Subject:</p> <p>At a minimum, clear photos of subject’s front and street scene.</p> <p>Photos – Comparables:</p> <p>Front photos of all comps used in sales comparison to be ORIGINALS. If original photo not possible (i.e. comp obscured by vegetation or trees), provide appraiser’s original photo and MLS photo.</p> <p>Location Map:</p> <p>Subject and all comps geographic characteristics and location</p>



Field Review – Form 2000/1032 and 2000A/1072
Exhibits (cont'd)

indicated in detail. Include a legible street map showing the location of the subject and each of the comparable sales utilized. If substantial distance exists between the subject and comparable sales, additional legible maps should be

submitted to show the location of the comparable sales.

If variance in Opinion of Market Value exists, provide location map indicating all new comps and all comps from appraisal being reviewed.

NOTE: If there are conflicting requirements noted between the Appraisal Management Company, USPAP, or Chase requirements, always adhere to the most conservative/restrictive requirements.