

COMMON HOMEOWNER QUESTIONS

The following are common questions that we have found to be asked by homeowners from time to time. In order to educate and promote understanding to the appraisal process we **Apella Real Estate Business Solutions** supply our vendors with a facts sheet that they can issue to homeowners at the time of the walk through visit. The following are some questions that homeowners often have and answers that we hope will help in their appraisal process. Should you have a question that you do not find here, then we encourage you to e-mail us and we will be more than happy to try and supply you an answer to your enquiry.

Why do I need an appraisal?

For the most part an appraisal is used by lenders to answer many different questions associated with the loan process including the reduction of the threat of fraud. Homeowners may need appraisals for other reasons such as how much to list a home or to ensure that they are not going to pay too much for a property that they are about to purchase. Whatever the appraisal reason, it is always good to monitor how much your property may be worth. Many people know how much their collectibles are worth and what they might be able to get on an internet based auction site yet lack a true understanding of what their real estate might be worth.

Why do you have to come into the house?

In order to receive the greatest working knowledge of what the square footage of the home is, what amenities the property has and what kind of condition the subject property may be in for comparison to the market, appraisers will measure and make observations. The visit is the first part of the process and plays a major role in the remainder of the appraisal steps.

Please schedule after we have had a chance to clean?

Appraisers are in countless subject properties and are trained to view the subject structure as if it was empty and with no personal property located on the premises. Unless there is a lack of cleaning that has gone as far as damaging the property, no notes will be made or items taken into account. It should be noted that we schedule based on the homeowner's schedule.

How long is the visit to walk through my house?

Depending on the size of the subject property and amount of time the appraiser spends with the homeowner providing customer service, the visit should be on average around 25 to 45 minutes.

Will I get a copy of the appraisal because I am paying for it?

You will get a copy of the appraisal if you are the party that has placed the order or request for the appraisal (the client) with that appraiser or appraisal company. If the request came from a lender or other party, then the appraiser is not allowed to disclose information about the appraisal or give a copy of the appraisal to anyone other than the party that has placed the order - regardless of who pays for the appraisal. The appraiser can issue a copy to a different party (other than the client) if they receive a written release from the client allowing them permission to do so. Those who are getting an appraisal done through a lender may have rights to get a copy of the report from the lender under the FDIC rules. Likewise lenders that are ordering the appraisal for a loan that will be sold to Fannie Mae or Freddie Mac are required to issue a copy of the appraisal to the borrower within three (3) business days prior to the closing of the loan. Use the link here on this web site on the **Resources Page** to the FDIC and look under "Truth In Lending" Area 6500 Consumer Protection Part 226 Regulation Z or you may find information under Title VII – Equal Credit Opportunity Act. For questions in regard to HVCC please contact your lender for a disclosure of your rights.

What determines the value of my home?

There is several different ways to do an appraisal. The most common is based upon what is needed or most often used in the lending world that being referred to as a "market history based appraisal". With a history based appraisal the most common method is to look at what has sold within a reasonable amount of time (usually within the last six (6) to twelve (12) months), within a

reasonable distance of the subject property and to do so with sold properties most similar (square footage, age, design) to that of the subject property being appraised (comparables). Depending on the “Scope of Work” or reason that the appraisal is being requested determines what methods will be used and ultimately how the value is concluded.

What Can I do to improve the value of my property?

That depends on your market and other factors like how does you subject property measure up to the average property in the market, if you are in a market that holds desires for certain amenities, and what the typical buyer in your market is willing to pay for above and beyond (what the market will bare). The best way to determine what to do or how to improve your property market value is to consult with a real estate appraiser or experienced real estate broker/agent that holds active geographical knowledge of your market. **Apella Real Estate Business Solutions** can help you in your consulting needs and request that you contact us for consulting assignments so that we may best be able to supply you with the proper vendor for your needs.

What is my property worth or what do you think?

The appraiser will not be able to tell you did not base on the first step of the appraisal process, nor are they allowed giving you a “fill for, range, or guess” without first doing due process in research and reporting of the appraisal.

How long will the appraisal take for my loan?

Each lender process varies in speed, time required to process and underwriting review. The appraisal product should be completed within 48 hours to 72 hours from completing the walk through visit depending on what the appraisal product is and the amount of reporting required completing the appraisal assignment for your lender. Appraisals ordered for homeowners directly may require a little more time for consulting, education and the custom element factor compared to appraisal or real estate service products ordered by lenders that are typically uniformed and dealt with on a daily basis by the client.

Can I use this appraisal for different needs?

It is not suggested that you do. Each appraisal is custom for the reason that the appraisal was done or requested for. You do not want to use a listing appraisal for a loan and a loan based appraisal for the listing of your house to sell because the appraisals take into account different data, time and other factors. While the value amount may be similar the required structure really is different and also reported differently. Think of it as you would with automobiles. Both trucks and cars are automobiles, have wheels and both will go down the road, but you may not want to use your car for certain things that you would your truck or vice versa.

So what can I do to help in the appraisal/home inspect process?

First and foremost please allow the appraiser at least a 30 min/window before and/or after the scheduled appointment time. Have any animals that may be in the home taken care of or contained and explain to children that if the appraiser or home inspector has to take pictures that they cannot be in the pictures because the appraiser or home inspector will get into trouble. If you have any items such as tax papers, surveys, old appraisals or home inspections, or other real estate related items please have them handy for the appraiser to review. Do not worry if you don't have real estate related papers, appraisers usually only use them to double check their own data. Last but not least, while not required, most appraisers and home inspectors do like cookies.... just FYI.