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# All About Appraisals

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# All About Appraisals

## Subject

- Current or previous listing
  - Intent to occupy?
  - Higher or lower than appraised value?

## Contract

- Sales Concessions vs. Financing Concessions
  - Typically inflates the sales price.
  - Sales concessions need to be subtracted from the lesser of AV/SP.

## Neighborhood

- Key point: \_\_\_\_\_.
  - Real Estate
  - Employment
  - Interest Rates
- RED FLAGS = declining values/over supply/over 6 mos. marketing time.
- Key point: \_\_\_\_\_.



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## Site (just the land)

- Size, zoning, flood zone, etc.



## Improvements

- A short cut for determining condition:  
\_\_\_\_\_ vs. \_\_\_\_\_.
- Infestation, dampness, settlement.
- Exterior/Interior condition ratings ( \_\_\_\_\_ or better).
- Room count/square footage ( \_\_\_\_\_ ).
- Important comments at the bottom.

## Sales Comparison Approach

- Comparable listing and sales activity
  - Does it match the neighborhood data from page 1?
- Comp selection criteria
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# All About Appraisals

## Sales Comparison Approach (continued)

- Bracketing the sales price
- Positive (inferior) and negative (superior) adjustments
  - Cost vs. Value
  - The Psychology of Ownership
- 10/15/25% guidelines
  - 10% = \_\_\_\_\_
  - 15% = \_\_\_\_\_
  - 25% = \_\_\_\_\_
- Subjective adjustments:
  - Location/view/design/quality/age/condition/functional utility
- Across the board adjustments
- History, Analysis, and Reasoning

## Reconciliation

- As is/subject to completion/subject to repairs/subject to inspections.

