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**Mortgage Tidbits**

**Keeping you informed and in the know….**

**Properties that may receive an Appraisal Waiver**

An Appraisal Waiver will save both time and money for the borrower. Freddie Mac and Fannie Mae both offer appraisal waivers in the Automated Underwriting. Not every property will qualify, but this list will show the property types that have a better chance at receiving an Appraisal Waiver.

|  |  |
| --- | --- |
| Eligible Transactions | Ineligible Transactions |
| * One-unit properties, including condo’s * Limited cash out refinance transactions: * Principal residences & second homes up to 90% LTV/CLTV * Investment Property up to 75% LTV/CLTV * Cash-out refinance transactions with LTV/CLTV under 70%. For primary residences * Cash-out refinance for 2nd homes and Investment property under 60% LTV/CLTV * Purchase transactions for Primary & 2nd homes up to 80% LTV/CLTV * Properties in high-needs rural areas, as identified by FHFA. This may include LTV’s up to 97%. | * Construction and construction to permanent loans * 2 – 4 unit properties * Loans where the value if the property is > 1,000,000 * HomeStyle Mortgage Products * Texas 50(a) (6) loans * Leasehold properties, community land trust homes or other properties with deed restrictions * Coop Units and Manufactured Homes * Loans that the PMI provider requires an appraisal * Loans which have rental income from the subject property as qualifying income * Loans in which the lender has reasons to believe an appraisal is warranted |

If an Appraisal Waiver is received, most Lenders have a form the Borrower’s need to sign to acknowledge that they will be using the Appraisal Waiver option. The Borrower’s do have the right to not use the Appraisal Waiver if they would prefer to have an appraisal completed for the transaction.

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