

Reconsideration of Value (ROV) Frequently Asked Questions

What is an appraisal?

Before we discuss how to challenge an appraisal, it's important to understand what an appraisal is. An appraisal report for a mortgage is a written document where the appraiser gives their opinion on the value of a property, describing it thoroughly and stating its value as of a specific date. It's important to note that this is just the appraiser's opinion, not a promise of value. There are various methods used to determine a home's value, and it's essential to understand that this value might differ from the actual price or cost of the property. For example, you could spend \$50,000 on a new roof but it won't add any additional value if all the comps in your neighborhood have new roofs too.

How does an appraiser form their opinion of value?

When an appraiser evaluates your home, they go beyond just looking at its physical features. They also examine similar homes in your neighborhood that have recently been sold to get a sense of the market. This helps them understand how your home stacks up in terms of value compared to others. Once they've gathered this data, they make adjustments to account for any differences between your home and the comparable properties. For example, if your home has an extra bedroom or a bigger backyard, they'll adjust the value accordingly. But it's not just about making random adjustments. Appraisers aim to make adjustments that are fair and based on what buyers in the market actually care about. They consider things like the size of the property, the condition of the home, and any unique features it might have. Ultimately, the goal is to provide you with an accurate estimate of your home's market value. By carefully analyzing the data and making thoughtful adjustments, the appraiser ensures that the final value reflects what buyers are willing to pay for a home like yours.

What if I disagree with the appraiser's opinion of value or data contained in the appraisal report?

You have the option to ask the appraiser for general adjustments or clarifications regarding the data in the appraisal. Alternatively, if you suspect the valuation is inaccurate, you can file a Reconsideration of Value (ROV). In cases where the appraisal displays significant errors, we may consider ordering a new appraisal.

What is a Reconsideration of Value (ROV)?

A Request for Reconsideration of Value (ROV) is a process set up to ask the appraiser to review and potentially adjust the value based on any flaws or missing information in the original appraisal. Here are some examples of what could be considered flaws or omissions:

- The appraiser overlooked comparable sales that are more similar to your property, either before or on the inspection date.
- There was a significant error in the appraiser's measurement of your home, affecting their valuation.

- The appraiser failed to acknowledge significant updates or upgrades made to your home.
- Important information that could affect the estimate of value that was overlooked by the appraiser.

It's important to note that only information available before or on the inspection date should be considered. Any data about a home listed for sale after the inspection would be irrelevant, as it wasn't part of the appraiser's assessment.

How to Request a Reconsideration of Value (ROV):

- Step 1: Identify the issues with the appraisal. Were they related to comparable sales or listings, or were they about mischaracterizing your home?
- Step 2: Download the Reconsideration of Value form.
- Step 3: Identify the issues:

If the problem involves comparable sales or listings, complete the ROV form by listing the comparable sales or listings that are more similar to your house. Include the address, describe the differences, and provide any other relevant information you believe the appraiser should consider. You can submit up to five properties for review.

If the issue relates to something else, use the "Other Issue" box on the form. Write a list of issues and explain why you believe the appraiser overlooked important information. For instance, if the appraiser stated your home is in average condition but you recently renovated the kitchen or bathroom, provide detailed information to help the appraiser understand the situation.

- Step 4: Email your completed ROV form to AppraisalROV@newfi.com

Where do I find comparable sales or active listings so I can complete the ROV form?

There are multiple sources on the internet. Here's a few:

www.zillow.com

www.realtor.com

www.redfin.com

You can also contact a local Realtor or another appraiser.

What comes next?

We will submit your information to the appraiser and ask for a written response that addresses your concerns OR provide a revised appraisal. We expect the appraiser to review and respond within 5 business days.

What if I'm still not satisfied?

If you think an appraiser has discriminated against you, you can contact the Appraisal Complaint National Hotline at (877) 739-0096. <https://refermyappraisalcomplaint.asc.gov/> The hotline will refer you to the appropriate authority to file a complaint with, such as: HUD, The Consumer Financial Protection Bureau (CFPB), State appraisal licensing and regulatory boards, and Local housing civil rights authorities.