

# Are your property valuations consistent with the most recent Interagency Appraisal and Evaluation Guidelines?

All financial institutions are advised to review appraisal procedures

The Interagency Appraisal and Evaluation Guidelines, effective April 1st, 2011, now require financial institutions to obtain a more detailed **property inspection** and evaluation to support value conclusions on all subject properties. Automated Valuation Models (AVM), Tax Assessment Values (TAV) or a Brokers Price Opinion (BPO) are no longer acceptable alone. Institutions must have an actual physical property inspection of the subject premises.

## According to the Guidelines the evaluation should contain, at a minimum:

- The location of the property.
- Description of the property and its current and projected use.
- Estimate of the property's market value in its actual physical condition, use and zoning designation as of the effective date of the evaluation (that is, the date that the analysis was completed), with any limiting conditions.
- Description of the method(s) the institution used to confirm the property's actual physical condition and the extent to which an inspection was performed.
- Description of the analysis performed and the supporting information that was used in valuing the property.
- Description of the supplemental information considered when using an analytical method or technological tool.
- Indication of all source(s) of information used in the analysis, as applicable, to value the property, including:
  - External data sources;
  - Property-specific data;
  - Evidence of a property inspection;
  - Photos of the property;
  - Description of the neighborhood; or
  - Local market conditions.



If you would like more information about the **Property Assessment Report**, give **Capital Curve Lenders** a call at 800.757.2329 We look forward to hearing from you.