

## Multifamily Underwriting Appraisal Checklist

Effective March 4, 2024, Freddie Mac underwriters will complete an internal *Multifamily Seller/Service Guide* compliance checklist for the initial appraisal submitted to Freddie Mac for each loan/property.

The checklist consists of the following ten (10) appraisal quality-related items that address common deficiencies and/or may materially impact value. Items answered “no” on the checklist are totaled and a quality score is assigned to each initial appraisal. Revised appraisals will be requested when these deficiencies are found in an appraisal. Please note, the compliance checklist review serves to supplement the underwriter’s current review process.

The checklist items are subject to change. It is strongly advised that Optigo® lenders critically review these items in appraisal reports and that appraisers are made aware of the checklist and all Freddie Mac requirements.

### 1. The correct number of units were inspected by at least one signing appraiser.

Residential Total Units	Residential Unit Inspection			Commercial Inspection Units
	Min.	Down	Vacant	
< 25	2	ALL	ALL, unless total residential units inspected exceeds 5	Representative sample
25 to 50	3	ALL	ALL, unless total residential units inspected exceeds 5	Representative sample
> 50	5	ALL	ALL, unless total residential units inspected exceeds 15	Representative sample

2. Any material difference between appraised value and recent sale (within the last three years) or contract price is adequately discussed and supported.
3. The tax analysis assumes a sale. This should result in a projected tax assessment that is similar to the appraised value. If not, an adequate explanation is provided.
4. The concluded market rents for each unit type are reasonably supported by recent leasing at the subject property (i.e. per the rent roll included in the addenda, leases that commenced within 90 days of the effective date of value).
5. The capitalization rates extracted from the sales comparables are consistently applied to the subject based on actual/T-12 or proforma NOI (i.e. a proforma income analysis should use a proforma capitalization rate).
6. The sales comparable outlines or body of the report adequately discuss the income basis for the capitalization rate for each sale (i.e. proforma or actual/T-12).
7. Local market participant capitalization rate surveys are dated within two months before the effective date of value.
8. At least one of the sales comparables is a listing or pending sale. If not, an adequate explanation is provided.
9. The sales comparables are comparable to the subject (in terms of age, location, number of units, etc.) and if not, an adequate discussion of the search criteria is provided.
10. The rent roll provided in the addenda of the appraisal is dated within 30 days of the effective date of value.