

# Uniform Appraisal Dataset (UAD) and Forms Redesign Initiative FAQs

August 2021

The following provides answers to questions frequently asked about Fannie Mae and Freddie Mac's joint efforts to update the Uniform Appraisal Dataset (UAD).

## General

### Q1. What is the UAD and why is it important?

The UAD is a standardized industry dataset for appraisal information that is communicated electronically through the Uniform Collateral Data Portal® (UCDP®). At the direction of the Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac (GSEs) jointly developed the first UAD in 2010 using the Mortgage Industry Standards Maintenance Organization (MISMO®) Reference Model 2.6, providing consistent data standards for the loans the GSEs purchase.

### Q2. Why is the UAD being updated?

The dataset is being updated to reflect changes to the appraisal industry since the current version was adopted in 2010, address future appraisal needs, and facilitate ongoing digitization in the appraisal process and the mortgage industry.

An updated dataset will enable the retirement of the current appraisal forms, replacing them with a data-driven, flexible, and dynamic report that will still allow appraisers to provide comments in each section. The characteristics of the property will drive the sections of the report, providing clear-cut support for the appraisal's final value conclusion and improved readability of the appraisal report for all audiences.

In addition, appraisal data is currently submitted to the GSEs using the MISMO Reference Model 2.6; this version is outdated and no longer supported by MISMO. As part of this update, the UAD will upgrade to the latest MISMO Reference Model (3.x).

### Q3. Will the appraisal forms be redesigned?

Yes, the appraisal forms listed below will be retired and replaced with a data-driven, flexible, dynamic structure for appraisal reporting in the form of a redesigned URAR. This report will have a similar look and feel to the redesigned Uniform Residential Loan Application (URLA) and the Closing Disclosure (CD).

- Uniform Residential Appraisal Report Fannie Mae 1004/Freddie Mac Form 70
- Individual Condominium Unit Appraisal Report Fannie Mae 1073/Freddie Mac Form 465
- Exterior-Only Inspection Individual Condominium Unit Appraisal Report Fannie Mae 1075/Freddie Mac Form 466

- Exterior-Only Inspection Residential Appraisal Report Fannie Mae 2055/Freddie Mac Form 2055
- Manufactured Home Appraisal Report Fannie Mae 1004C/Freddie Mac 70B
- Individual Cooperative Interest Appraisal Report Fannie Mae 2090
- Exterior- Only Individual Cooperative Interest Appraisal Report Fannie Mae 2095
- Small Residential Income Property Appraisal Report Fannie Mae 1025/Freddie Mac 72
- Appraisal Updated and/or Completion Report Fannie Mae 1004D/Freddie Mac 442
- Single Family Comparable Rent Schedule Fannie Mae 1007/Freddie Mac 1000

**Q4. [NEW] Is there a way to communicate with the UAD team?**

The joint GSE UAD project team would very much like to hear from you! Please include both the Fannie Mae and Freddie Mac teams on your emails (unless your inquiry is policy-specific): [UAD\\_Info@Fanniemae.com](mailto:UAD_Info@Fanniemae.com) and [UAD@Freddiemac.com](mailto:UAD@Freddiemac.com).

## Key Benefits

**Q5. [NEW] Will the new UAD make it easier to describe and identify the property characteristics?**

The new UAD will provide standardized data to define the property, helping lenders and other end users better understand the property's characteristics. The improved dataset will make it easier for mortgage lenders to verify property eligibility and determine overall collateral risk.

**Q6. [NEW] How will the new UAD help address bias in appraisals?**

Capturing more property and market information as objective data points, using less free-form commentary, will reduce subjectivity and thus lessen the risk of bias in the appraisal.

**Q7. [NEW] Will the new UAD and URAR work for hybrid appraisal reports or alternative methods of inspection?**

Yes. The new URAR has the flexibility to identify various scopes of work and assignment details.

**Q8. [NEW] Will the new UAD make the Sales Comparison Approach section of the URAR clearer?**

Yes. The new UAD and URAR will provide additional clarity by allowing the appraiser the flexibility to dynamically include the property characteristics that best highlight how the comparable properties relate to the subject property. The new Sales Comparison Approach section of the URAR has significantly fewer abbreviations and will be easier to read.

**Q9. [NEW] Quality and condition ratings are vague; will the new UAD help address?**

Yes, the new UAD has updated quality and condition rating definitions that make the distinction between the ratings clearer. Further guidance will be provided with the ratings definitions to assist the appraiser in determining a more objective rating.

**Q10. [NEW] Will the appraiser be able to add additional supporting information to the quality and condition ratings?**

Yes. In addition to rating the overall property quality and condition, the appraiser will provide quality and condition ratings for both the interior and exterior of the property. These new ratings, along with factual details and a commentary section, allow the appraiser to provide more information about the elements that support the overall quality and condition ratings.

## Scope

**Q11. [NEW] Will all property types eligible for purchase by the GSEs be UAD-compliant?**

Yes. The new UAD will cover all residential property types, including: Single-Family, Condominium, Cooperative, Manufactured Home, and 2- to 4-Unit.

**Q12. [NEW] How will the various property types be identified if the current forms are retired?**

Property types will be identified using individual or groups of data elements from the new UAD.

- Condominium Indicator
- Cooperative Indicator
- Construction Method Type – This will indicate Manufactured Home or Site Built
- Number of Units – 1, 2, 3, or 4
- Land Owned in Common – This will indicate the land is owned either in common or separate (e.g., identifies “site condo” when applicable).

**Q13. [NEW] Is the new UAD for mortgage purposes only?**

Yes. The new UAD and the new Uniform Residential Appraisal Report (URAR) are for mortgage purposes only. The legacy forms will be retired for Fannie Mae and Freddie Mac (the government-sponsored enterprises or GSEs) purposes.

**Q14. Is this part of the Appraisal Modernization initiative?**

No. While both the UAD and Forms Redesign initiative and the Appraisal Modernization initiative were undertaken at the direction of the FHFA, only the UAD and Forms Redesign initiative is a joint-GSE effort. Each GSE is developing its own Appraisal Modernization effort.

**Q15. Will the updated UAD contain more information than the current dataset?**

The updated UAD will contain more discrete data elements to support the broader scope of all property types listed above; however, the requirements are still being defined, so the number of final data elements is not yet known. The current legacy forms do not allow for expansion of information or commentary within the relevant section, which often results in large addenda. The UAD joint team has evaluated the type of information found in the addenda, converted some of it to discrete data elements, and will provide the ability to include commentary within each section of the URAR. The GSEs are taking particular care to evaluate each data element requirement to support consistent appraisal reporting for the appraiser and make it easier for lenders and borrowers to review and understand the data.

**Q16. How will the GSEs collect the updated data?**

The GSEs will continue to use UCDP. Adopting an upgraded UAD Specification that reflects the latest MISMO Reference Model will require updates to the UCDP.

**Q17. Will the UAD Specification be identical for both Fannie Mae and Freddie Mac?**

Yes. The GSEs are working together on the joint UAD Specification.

**Q18. Will the GSEs support paper appraisal forms?**

No. The GSEs do not currently accept paper forms and will not do so with the updated UAD. All appraisal reports must continue to be transmitted electronically through UCDP.

**Q19. [NEW] How will various degrees of updates/remodeling be reflected in the new UAD?**

The new UAD lets the appraiser report the condition status at the room level – including extent and timeframe of any updates.

**Q20. [NEW] How will accessory dwelling units (ADUs) be captured in the new URAR?**

Information about ADUs will be captured the same way as it is for a 2- to 4-unit property, with a flag to indicate it's an ADU. This provides consistent reporting of all additional units. If the appraiser indicates that the additional unit is an ADU, more information will be required concerning the rental legality and use of the unit.

**Q21. [NEW] Will there still be a General Addendum section of the URAR?**

No. In place of the general addendum, the new UAD provides a commentary field specific to each major section of the URAR, offering the appraiser ample room to provide additional information.

**Q22. [NEW] How will the appraiser disclose their prior services performed for the subject property within the three years preceding the agreement to perform the assignment?**

The appraiser will disclose this information in the Certification section of the URAR. The new UAD is designed to comply with the 2020-2021 Uniform Standards of Professional Appraisal Practice (USPAP) requirements utilizing specific data points and will no longer need to be provided as text in an addendum.

**Q23. [NEW] How will the Highest and Best Use section of the URAR accommodate USPAP requirements?**

In the new URAR, the appraiser will provide an answer to each of the four highest and best use test questions and have dedicated space to provide any necessary commentary.

**Q24. [NEW] Will any of the new URAR information be prepopulated based on the subject address?**

Determining the capability of prepopulating information is within the purview of the software vendors. The GSEs' scope is to standardize the UAD data and design the new URAR report.

**Q25. [NEW] Will the UAD be able to support the requirements of the Federal Housing Administration (FHA) and other government agencies?**

Yes. The GSEs are working closely with the government agencies – FHA, United States Department of Agriculture (USDA) Rural Development, and Veterans Affairs (VA) – to include their specific requirements in the updated UAD and URAR.

**Q26. Will there be a 1004MC?**

No, there will not be a 1004MC (Market Conditions Addendum). There will be a market section in the new URAR that enables appraisers to expand on the market conditions.

## Implementation

**Q27. What is the timeline for the updated UAD Specification publication?**

An updated UAD Specification timeline has not yet been determined. The GSEs are currently working through the MISMO Residential Appraisal Dataset Development Work Group (RADDWG) to vet the proposed Reference Model changes.

**Q28. [NEW] When will the industry begin using the new data set?**

This is a multi-year initiative and the final timeline has not been established. There is a published, tentative timeline on both GSEs' UAD websites ([Fannie Mae UAD page](#)) ([Freddie Mac UAD page](#)).

**Q29. [NEW] Will the GSEs provide a period of time for stakeholders to test the new UAD and URAR prior to their being required broadly?**

Yes. The GSEs plan to offer a limited production period for early adopters to use the new UAD and URAR in a controlled implementation. There will also be ample time for testing prior to broad adoption.

**Q30. [NEW] Will there be a period of time provided to phase in the new UAD?**

Yes. Like other Uniform Mortgage Data Program (UMDP) projects, there will be an introductory period during which both the legacy dataset and the new dataset are accepted by the GSEs.

**Q31. [NEW] Why are the GSEs not rolling out the dataset in a phased approach (by property type)?**

A comprehensive implementation will be the most efficient approach. A phased approach is counterproductive from a cost, systems, and educational perspective.

**Q32. [NEW] What are the technology impacts of the new UAD to the mortgage industry?**

The UAD and forms redesign provide a step forward to helping the mortgage industry achieve the efficiencies that come with full digitization. Adoption of the new UAD is expected to benefit all industry parties, including appraisers, appraisal management companies, and lenders. Technology updates will be required for the Uniform Collateral Data Portal®, Collateral Underwriter® and Loan Collateral Advisor® and other systems, and industry loan origination systems (LOS). The new dataset will be based on a version of the Mortgage Industry Standards Maintenance Organization

(MISMO) 3.x Schema structure that will replace the no-longer-supported version 2.6, which uses the outdated Document Type Definition (DTD) structure. Use of a common MISMO model can reduce both data quality issues and confusion resulting from mapping.

**Q33. Will there be education provided to the industry?**

Yes. Educational training and materials will be provided by the GSEs to appraisers and lenders prior to the adoption of the updated UAD.

**Q34. [NEW] Will the new dataset be cloud-based (online only), or will software vendors be able to provide programs for the appraisers?**

Software vendors will still provide appraisal software for the appraiser to collect, analyze, and report data related to the collateral and render the URAR. Where the data resides is not part of the scope for the UAD and URAR redesign initiative.

**Q35. Will appraisers be able to use legacy appraisal data to populate a new appraisal report (compliant with the updated UAD)?**

The GSEs would like for appraisers to have the ability to use their legacy data to assist in the completion of future appraisals; however, the ability to do so will depend on the functionality of the software used by the appraiser.