



## **Appraisal Independence Requirements (AIR) Frequently Asked Questions (November 2010)**

### **Federal Reserve Issues Interim Rule!**

*The Federal Reserve issued an Interim Final Rule—which applies to ALL LOANS because it is part of the updated Truth in Lending Act. This Interim Rule is open for Public Comments for 60 days but don't expect any major changes!*

### **How does an appraisal get ordered?**

No Change from HVCC – Ordering is independent of Loan Production.

### **Is an Appraisal Management Company required?**

No. A Lender may use their own panel of appraisers and may order the appraisal directly with an appraiser. A Mortgage Broker must follow the Lender's requirements and cannot order directly with the appraiser.

### **Can I talk to the appraiser?**

Loan Production Staff is prohibited from substantive communication with the appraiser. However, Sellers, Realtors & Builders may provide information to the appraiser -- communication must be appropriate -- coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or influence in any manner is prohibited by the Interim Rule.

### **What if the value comes in lower than the sales price?**

The Seller, Realtor or Builder may provide additional information to support the sales price.

### **Can an appraisal be assigned to another lender?**

Yes – portability is now more likely since the Interim Rule covers all Lenders and Appraisals.

### **Can any party to the transaction pay for the appraisal directly to the appraiser?**

No, it must be paid by the lender ordering the appraisal. The cost may be reimbursed to the borrower as part of a Seller Concession at closing.

### **Is the 3-day appraisal notice to the borrower still in effect?**

Yes, the borrower has 3 days to "review" the appraisal and the loan cannot be closed until the 3-day waiting period has elapsed. However, the borrower can sign a waiver if they wish to close earlier than the 3-day waiting period if the Lender is able to do so.

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Provided to you courtesy of:

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