



## **MFM Bulletin: 010-2022**

**Date:** March 14, 2022

**Subject:** Desktop Appraisals

We are pleased to announce that Fannie Mae and Freddie Mac are introducing the Desktop Appraisal option for purchase transactions that meet certain requirements. We anticipate Desktop Appraisals will help address appraiser capacity concerns and reduce turn times.

When the casefile is eligible for the Desktop Appraisal option, DU and LPA will issue a message that the loan is eligible. The following are implementation dates for this change:

- **Fannie Mae:** During the weekend of March 19, 2022, Fannie Mae will implement an update to Desktop Underwriter (DU). The changes in this release will apply to DU Version 11.0, loan casefiles submitted or resubmitted on or after the weekend of March 19, 2022.
- **Freddie Mac:** Effective for new Loan Product Advisors submissions or resubmissions on or after March 6, 2022.

Member First Mortgage will allow Desktop Appraisals on servicing retained loans only. We anticipate opening this option to servicing released loans once we receive confirmation of acceptance from our Investors.

### **Loan Eligibility Requirements:**

- Purchase transactions only
- 1-unit Primary Residences only, including units in a PUD and properties with accessory units
- Maximum 90% LTV, and;
- AUS findings must be Approve/Eligible through DU or Accept through LPA.

### **The following mortgages are not eligible for Desktop Appraisal:**

- Mortgages secured by a Condominium Unit – including detached (site) condos
- Second homes and investment properties
- 2–4-unit properties
- Mortgages secured by a Manufactured Home
- Mortgages secured by a leasehold estate (not currently allowed per MFM overlays)
- Mortgages secured by a property that is undergoing renovation or rehabilitation
- Mortgages secured by Mortgaged Premises subject to resale restrictions
- Construction Conversion and Renovation Mortgages
- DU or LPA case files that receive Ineligible recommendation.

All Desktop Appraisals must include a floor plan exhibit in addition to all other required exhibits per Fannie Mae and Freddie Mac selling guides.

**Loan Changes**

Changes in loan terms may result in loss of the Desktop Appraisal option. However, the one exception is when LTV increases above 90% solely because the Desktop Appraisal is below the contract price. In that scenario, both DU and LPA will continue to offer the Desktop Appraisal option.

**Credit Union Portfolio Loans**

Credit Union partners can choose to accept Desktop Appraisal on portfolio loans by adding "Credit Union accepts Desktop Appraisal" to the Portfolio Form.