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## **COC Policy**

There are dozens of factors that influence how much an appraisal report will cost, factors that can turn what was a basic appraisal request into something more complex. Factors which aren't likely to reveal themselves until after you've had to provide an estimate. Per TRID, the Broker is required to make a good faith estimate of the appraisal fee based on all known factors.

Certain factors that are known from the onset and will not constitute a changed circumstance include:

1. Loan type unless the change occurs during the underwriting process.
2. Location (city, state) is not a valid changed circumstance as the property address was known at the time of disclosure however property attributes may be considered a valid changed circumstance.
3. Appraisal Fees associated with the property value if they are listed on the vendor fee sheet.

Factors that may be considered a changed circumstance if not disclosed by the borrower or agent include but are not limited to:

1. Property attributes that alone, or combined with other attributes, may put a property in the complex category, thus commanding a higher fee to the appraiser including but not limited to:
  - Unique architectural style – log home, dome home, berm home
  - Historic homes
  - Homes with accessory units (garage apartments, in law suites, guest houses)
  - Large and/or high end, luxury homes
  - Ocean front, lakefront, mountain homes, homes in gated communities
  - Homes sites over 1 acre
  - Anything that is atypical or unique for the market
2. Change in Loan type required after underwriter review resulting in a change in loan programs.
3. Change in property type based on appraiser research or inspection required a different appraisal form type.
4. The addition of a 1007 or a 216 to the order based on an underwriter condition requiring the additional income to support the loan.
5. Rural or trip fee as this may be based on the number of available appraisers in proximity of the property which varies by market.
6. Rush fee as it varies by market, appraiser availability, and timeframe required for delivery of the report.
7. Change in vendor from FLCB Panel to AMC if there are no accepting appraisers due to vacation schedule, workload, or the request is outside appraiser panel coverage areas.

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**Recommendations:**

Most homeowners or buyers do not view their current or future home as unique so you need to ask questions to gain a clear understanding of the property. Here are a few suggested questions to pose to borrowers during the application process:

- o Can you tell me a little about your home or the home you are purchasing? Make sure their answer covers things like square footage, site built or manufactured, and accessory units.
- o Have there been any recent renovations or additions? If permitted renovations have been completed, ask them to have the perm available for the appraiser and the contract or receipts to expedite the appraiser's completion of the report.
- o Any unique or special attributes? (Log cabin, dome or berm homes, solar panels)
- o Ask them to describe the site including acreage, views, surrounding amenities, limited access

Questions should be posed in such a way as to get a clear understanding of the subject property. You may even want to Google the property to make certain you have a good idea of its location and anything that would be considered atypical.

**Broker Request Appraisal Process:**

- Broker meets with loan applicant and obtains property information during the interview
- Broker utilizes the assigned vendor fee sheet uploaded to the Resource Center in Mortgagebot to look up the appraisal fee based on location, loan type, property type, occupancy type and product(s) using the information obtained in step 1.
- Broker includes appraisal fee calculated on the fee entry worksheet to be sent to set up.
- Once disclosures have been sent and the ITP has been signed, Broker signs in to the Mortgagebot LOS and selects the Services tab to order the appraisal.
- After ordering the appraisal, broker checks the order to ensure the appraisal fee on the order matches the amount on the LE.
- If there is a fee change after initial disclosures, the broker will follow the process outlined below.

**Appraisal COC/Redisclosure Process**

1. Appraisal Desk receives fee change request from appraiser or AMC.
2. Appraisal Desk determines fee request is within the list of approved changed circumstances per FLCB policy.
3. If an approved COC, Appraisal Desk sends an email to [redislosure@flcb.com](mailto:redislosure@flcb.com) including the fee change requested and the reason approved copying the broker requestor on the order.
4. Redislosure team sends out the revised disclosures within 3 days of receipt of email and notifies Appraisal Desk, Broker and CRR via email.
5. Appraisal Desk processes the cardholder payment.
6. If the COC is not approved, Appraisal Desk to contact broker via email requesting payment information.