



Homeownership Program Bulletin

June 9, 2009

Program Bulletin #2009-22

To: CalHFA Approved Lenders

Appraiser Requirements for CalHFA Loans: Updated

This Bulletin updates Program Bulletin #2007-34, dated October 10, 2007. Effective for CalHFA loans reserved on or after June 8, 2009, Lenders must follow the procedures detailed below for selecting appraisers. CalHFA does not directly approve appraisers, but it does rely upon CalHFA-approved Lenders to maintain a process of selecting, reviewing and retaining appraisers.

Conventional Loan Appraiser Requirements

CalHFA-approved Lenders must maintain a process of selecting, reviewing and retaining appraisers. The process for appraiser selection must take into consideration the following:

- Appraiser's education
- Appraiser's experience
- Required California appraiser licensing (Lenders must keep a copy of the appraiser's current California license in their place of business)
- Samples of work performed
- Professional references
- Evidence of an Errors and Omissions Insurance Policy must be available in the Lender's place of business

The Lender must not assume that an appraiser is qualified simply based on his or her membership or professional designation from an appraisal organization, or the fact that he or she is state-licensed or state-certified.

Home Valuation Code of Conduct

Lenders must adopt written policies and procedures implementing the *Home Valuation Code of Conduct* as outlined in Fannie Mae's published Appraiser guidelines as amended and updated from time to time.

Quality Assurance Plan

Lenders must incorporate into their Quality Assurance Plan, a procedure to review the performance of each approved appraiser in accordance with Fannie Mae's Selling Guide on Quality Assurance, Lender QC Review of Appraisers and Appraisals procedures.

Each appraisal is to be documented on the appropriate appraisal form as designated by Fannie Mae according to property type. The appraiser's license number, name and signature must be included in each appraisal and recorded in the appropriate form field.

CalHFA will review the Lender's procedures for appraiser selection during CalHFA's review of new Lender applications, as well as, annual Lender recertification.

FHA, VA and USDA Appraisal Requirements

CalHFA will accept appraisals from appraisers who perform under a Lender's authority granted by FHA, VA and/or USDA. The policies and procedures for ordering and evaluating such appraisals must follow FHA, VA or USDA guidelines respectively.

CalHFA's Homeownership Division thanks you for your business and we look forward to continuing to support your affordable housing loan needs. For questions about this bulletin, contact CalHFA Homeownership Programs by phone 916.324.8088; by fax 916.324.6589; by email at homeownership@calhfa.ca.gov and you can always visit CalHFA's web site at: www.calhfa.ca.gov