

HOME APPRAISALS:

UNDERSTANDING THE PROCESS AND ITS VALUE.

Appraisals are conducted by state-licensed professionals who provide unbiased valuations of real estate in the form of detailed reports. Lenders typically contract with appraisers to assess home values for use in structuring loans to potential buyers.

Appraisal Value vs. Market Value:

Appraisers are tasked with forming an opinion about the value of a home given very specific conditions used in the lending process. An appraiser's determined value may not align with your opinion about a property's value. Appraisers take many factors into consideration, including recent property sales in the area and the home's features and general condition.

Market values, on the other hand, are dictated by consumers who drive these assessments based on what they are willing to pay. A home in a sought-after neighborhood with low inventory may command offers that far exceed the appraisal value. In terms of loan valuations and the amount you will qualify for, appraisal values outrank market values.

Ready to apply? Call a mortgage loan expert today at **800.353.4449**.



How the appraisal process works:

During an assessment, an appraiser will take home measurements, consider room configurations, evaluate the home's general condition and photographically document the findings for inclusion in a final report. Mortgage Center will use this information to determine the appropriate loan amount to finance your home.



Be Prepared

To prepare for the visit, try to ensure the appraiser will have easy access to the exterior of the house. On the inside, make sure that the appraiser can easily access items like furnaces and water heaters. Note that housekeeping is not a factor in an appraisal, just overall condition and maintenance of the home.



Appraisal vs Home Inspection

An appraisal is not the same as a home inspection. Although the appraiser documents condition and construction of a home, the appraiser is not performing the function of a home inspector. An inspector evaluates both the structure and mechanical systems of a house, such as plumbing and electrical.



Repairs

An appraiser may note items that are in need of repair. These items will, in most cases, need to be fixed prior to closing.

What if there is a square footage discrepancy between my appraisal's measurements and my tax record?

If there is a discrepancy between the tax record size and an appraiser's measurements, trust the appraisal. The appraiser is a licensed professional who actually visited the home and measured according to industry guidelines. The Tax District does not perform this sort of measurement and often uses builder's floor plans or rough exterior dimensions to calculate square footage.

Can I use my own appraiser?

Mortgage Center, Credit Unions, sellers, and borrowers do not have the ability to select individual appraisers. In accordance with Appraisal Independence Requirements (AIR), we do not have direct contact with the appraiser. Appraisers are contracted through a third party company and are assigned by region at random.