

## Understanding the Reconsideration of Value (ROV) Process

The Reconsideration of Value (ROV) process allows you, as a borrower or other stakeholder on your behalf, to formally request the appraiser to review or consider additional information or items you believe are incorrect, unsupported, or deficient. This guide is designed to help you, the borrower, understand how to submit a compliant and compelling ROV to your lender for submission to the appraiser.

Providing clear, detailed information that addresses specific issues within the appraisal report is essential to ensure your ROV is considered. You may submit additional data, including alternative comparable properties, to support your claim. Please note that only one borrower-initiated ROV per appraisal will be shared with the appraiser, so making your request complete and accurate is essential. However, discussions and collaboration with your lender to ensure all relevant information is included do not count toward the one ROV requirement. This allows you to refine your request with the lender before submitting it to the appraiser.

Timing is also a key consideration. An ROV must be submitted and resolved before your loan closes, and no further ROV requests can be made once your loan has closed. Therefore, it's crucial to act promptly if you identify any discrepancies.

While the process may seem complex, this guide will walk you through each step to ensure your submission complies with lender guidelines and provides the best opportunity for reconsideration.

## Understanding the First Page of the ROV Form

The information at the top of the Reconsideration of Value (ROV) form is straightforward, but some sections might raise questions. We've provided additional guidance to help you complete the form accurately.

### Clarification for "Affiliation to Property" Section:

In the "Affiliation to Property" field, the individual completing the form should indicate their relationship to the property. Here's how to determine what to enter:

- If you, the borrower, are completing this form, write "Borrower" as your affiliation.
- If someone else completes the form on your behalf, they should indicate their role.

Examples include:

- **Realtor:** If a real estate agent is assisting you.
- **Loan Officer:** If a loan officer from your lender is helping.
- **Broker:** If a mortgage or real estate broker is involved.
- **Other:** Specify any other professional (e.g., attorney, appraiser) assisting you.

This ensures that your lender understands who submits the ROV and their relationship to the property.

### How to Locate Appraiser and Appraisal Information on the Appraisal Form

To complete the Appraiser and Appraisal Information section of the ROV form, you will need the appraiser's name, the appraisal's effective date, and the property's appraised value. Refer to the image below for guidance on where to find this information on a standard appraisal form:

#### APPRAISER

Signature \_\_\_\_\_

Name \_\_\_\_\_

Company Name \_\_\_\_\_

Company Address \_\_\_\_\_

Telephone Number \_\_\_\_\_

Email Address \_\_\_\_\_

Date of Signature and Report \_\_\_\_\_

Effective Date of Appraisal \_\_\_\_\_

State Certification # \_\_\_\_\_

or State License # \_\_\_\_\_

or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_

State \_\_\_\_\_

Expiration Date of Certification or License \_\_\_\_\_

#### ADDRESS OF PROPERTY APPRAISED

\_\_\_\_\_

\_\_\_\_\_

APPRAISED VALUE OF SUBJECT PROPERTY \$ \_\_\_\_\_

#### LENDER/CLIENT

Name \_\_\_\_\_

Company Name \_\_\_\_\_

Company Address \_\_\_\_\_

Email Address \_\_\_\_\_

### Page #2: Identifying and Describing Unsupported, Inaccurate, or Deficient Areas in the Appraisal Report

In this section of the ROV form, you must carefully review the appraisal report and identify areas you believe are flawed, unsupported, or deficient.

## What to Include:

### 1. Specific Sections of the Appraisal:

- Identify the part of the appraisal that you believe contains errors or lacks support. This could be related to the comparable sales used, adjustments made, or specific property characteristics that were incorrectly reported.

### 2. Clear Explanation of the Issue:

- Describe the issue in detail. State why you believe the information is inaccurate or deficient. This could involve discrepancies in property features, questionable comparable sales, or errors in market conditions.

### Example:

#### Inaccurate Reporting of Property Size:

The appraisal report incorrectly lists the subject property's Gross Living Area (GLA) as 1,500 sq. ft., but based on public records, the actual size is 1,750 sq. ft. This discrepancy significantly impacts the appraised value, as larger properties in this area typically command higher prices. Additionally, the appraiser used smaller comparable sales with a GLA between 1,300 and 1,600 sq. ft. that do not align with the property's actual size.

## Alternative Comparable Closed Sales for Consideration

In this section, you can submit up to five alternative comparable sales that you believe are more suitable than the ones used in the original appraisal. These comparables should be carefully selected based on key factors that affect the value of your property. Each comparable must come with a data source, with the Multiple Listing Service (MLS) being the preferred and most widely accepted source by appraisers.

### Identifying Why the Sales Are More Comparable

After listing the alternative comparable sales, you'll need to explain why each sale is a better match than the comparables used in the original appraisal. Check the appropriate boxes to identify why a sale is better and then identify the sale.

**Example of Completed Section:**

Reason for Being More Comparable	Sale(s)
More Similar in Gross Living Area	Sale #1, Sale #2
Closer in Proximity	Sale #3
Closer in Age	Sale #1
More Similar in Condition	Sale #2
More Recent Transfer Dates	Sale #3, Sale #4
More Similar in Design/Appeal	Sale #5

By completing this section thoroughly and ensuring that your alternative comparables are well-documented, you can present a stronger case for reconsidering the appraised value.

**Additional Data and Rationale for Why This Information Supports the ROV**

Lastly, you must include your rationale and explain why the supplied information supports the reconsideration of value. The goal is to clarify how the new information corrects or improves upon the data used in the original appraisal. To do this, summarize your information, explain how it impacts value, and, if available, include additional supporting documentation.

**Example:**

The rationale for Using Alternative Comparable Sales

The original appraisal used three comparables, all smaller and farther from the subject property than the alternatives provided. For instance, Comparable 1 in the original appraisal is 1,400 sq. ft. and is located 2 miles away from the subject property. Alternative Comparable one supplied in this ROV is 1,800 sq. ft. and located only 0.5 miles away. This makes the alternative comparables more reflective of the subject property’s market value.

Additionally, two of the original comparables sold more than nine months ago. In comparison, all the alternatives provided have closed within the last five months, which is essential given the rapid appreciation in this neighborhood.

The new comparables would better reflect current market conditions and a more accurate value for the subject property, which has recently been renovated, including a new kitchen and bathroom. These improvements were not fully accounted for in the original valuation and are better reflected by the condition of the alternative comparable properties provided.

### Common Submission Mistakes and Best Practices:

- Supplying sales already used by the appraiser in the report.
- Supplying active or pending listings. All sales must be closed as of the report's effective date. Sales that closed after the effective date will not be considered.
- Supplying sales that are substantially larger or smaller than the subject.
- Supplying sales farther away than those already used.
- Supplying sales that have better amenities, condition, or quality without justification.
- Using accusatory or demeaning language. Keep commentary factual and professional.
- Including target values, a direction in value, or the amount needed. Reconsiderations referencing a specific value or value direction expectation will not be processed.
- It is more beneficial to explain why the sales provided should be considered instead of blanketly criticizing those used in the current report.

### Final Checklist

- Complete all sections of the ROV form.
- Include all supporting commentary and comparable property data.
- Review the information for accuracy and clarity.
- Submit the completed ROV request to your lender for their review and submission to the appraiser.

### Need Help?

- To reach a NAN Staff Appraiser with general questions about the ROV process or how to complete this form, please email [SAA@nan-amc.com](mailto:SAA@nan-amc.com) or call 888-978-3471
- For questions regarding the reasonableness of supplied information or sales, please get in touch with your lender representative.

By following these steps and guidelines, you can ensure your ROV request is appropriately documented and submitted for a thorough review, helping to maintain the integrity and reliability of property valuations.