

Announcement #24-95

Date: October 16, 2024

Fannie Mae SEL 2024-03 and Freddie Mac Bulletin 2024-06: Reconsideration of Value Process

Effective for applications dated on and after October 31, 2024, Fannie Mae and Freddie Mac, in collaboration with HUD, are introducing a new Reconsideration of Value (ROV) process to enhance consistency and transparency when issues or deficiencies within the appraisal are perceived by the borrower. Pennymac is aligning with these changes.

Correspondents are expected to implement and comply with all requirements of the ROV process, including but not limited to:

- A disclosure provided to the borrower at application and again upon delivery of the appraisal report detailing that one borrower-initiated ROV is permitted per appraisal, expected turn-time for the request, and instructions and information required to submit a request for an ROV. This includes, but is not limited to:
 - Borrower information, subject property address, effective date, appraiser name, and date of ROV request.
 - Identification and description of unsupported, inaccurate, or deficient areas
 - Additional data, information, and new comparables (not to exceed five)
 - Explanation of why new information and data provided supports the ROV
- Establish processes for review by a trained underwriter or other appraisal subject matter expert and resolution procedure for an ROV request, including
 - Steps for the borrower to appeal an appraisal report's findings when the borrower believes the appraisal report or the appraiser's opinion of value is unsupported, may be deficient due to an unacceptable appraisal practice or reflects discriminatory practices
- A standardized format for responding, and documenting communication to the borrower and/or appraiser about an ROV and the results of the request.
- Establish reporting requirements for material deficiencies or unacceptable appraisal practices.
- The retention of all documentation and communications related to the initiation and outcome of the ROV in the mortgage file.
- Take steps to ensure valuation staff are trained to identify prohibited discriminatory practices and appraisal deficiencies.

Refer to Fannie Mae SEL 2024-03 and Freddie Mac Bulletin 2024-06 for additional information and complete requirements.

Please contact your Sales Representative with any questions.