

# LET'S TALK ABOUT ROV

An ROV provides opportunity for the borrower to dispute the appraised value by providing the appraiser additional information that the borrower believes will support a different market value



## WHAT IS A RECONSIDERATION OF VALUE (ROV)?

A Reconsideration of Value (ROV) is a request for the appraiser to reconsider their opinion of the market value.

This process typically arises when a party involved in a real estate transaction believes that the initial appraisal does not accurately reflect the property's market value.

## WHEN DOES AN ROV OCCUR?

After the initial appraisal report is submitted and a compliance review is completed by the lender.

## WHY WOULD A CONSUMER INITIATE AN ROV?

- **Errors or Factual Inaccuracies:** Mistakes in the appraisal report that could impact the appraised value.
- **Comparable Sales:** The selected comparable sales may not be the most suitable for property comparisons. Consumers can provide other comparable sales for the appraiser's consideration.
- **Individual Characteristics:** Factors that may have improperly influenced the appraised value.

## WHAT HAPPENS DURING AN ROV?

### 1. Lender Provides Information to the Appraiser:

- Description of inconsistencies in the report, math errors, property misrepresentations, or factual errors (with supporting documentation).
- Other closed sales that the parties believe may be more suitable than the comparables used in the original appraisal report.
- Past or current appraisal reports on the property with explanations of conflicting information.

### 2. Appraiser Analysis:

- The appraiser reviews and considers the provided information to determine if there is support for a change in value.
- The appraiser communicates the results of the analysis to the lender.


## WHO CAN ASK FOR AN ROV?

- **Lender:** The only entity that can directly communicate with the appraiser.
- **Borrower:** Can request an ROV through their lender.
- **Real Estate Agent:** Can assist a borrower in gathering information to send to the lender.



## NATIONAL ASSOCIATION OF APPRAISERS

 [naappraisers.org](https://naappraisers.org)

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# POSSIBLE OUTCOMES



## BASED ON THE REVIEW, THE APPRAISER MAY:

- Adjust the appraised value up or down, depending on the new information's impact on the property's valuation.
- Confirm the original appraised value if the new evidence does not justify a change.

By understanding and utilizing the ROV process, lenders and other users can ensure that property values appropriately uphold public trust.

***For Any Appraisal, Only One Borrower-Initiated ROV Is Permitted. The ROV Must Be Submitted By The Borrower To The Lender Before Loan Closing. After A Loan Is Closed, An ROV Request Is No Longer Allowed To Be Submitted By The Borrower For That Appraisal.***

– June 2024 Fannie Mae Appraiser Update

## CAN YOU TALK TO APPRAISER? YES, BUT...

### \* Permitted Actions:

- The requirements of the act shall not prohibit interested parties (mortgage lenders, brokers, real estate brokers, appraisal management companies, consumers, etc.) from asking an appraiser to:
  2. Consider additional, appropriate property information, including additional comparable properties to make or support an appraisal.
  3. Provide further detail, substantiation, or explanation for the appraiser's value conclusion.
  4. Correct errors in the appraisal report.

### \* Prohibited Acts:

- Practices that violate appraisal independence include causing or attempting to cause the value assigned to the property to be based on a factor other than the independent judgment of an appraiser.


This includes compensating, coercing, extorting, colluding with, instructing, inducing, bribing, or intimidating an appraiser.

\* CFR Title 12 Part 226.42 Subpart E - Truth in Lending Act (TILA)



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