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How to Prepare for an Appraisal Inspection

We have found that the idea of an appraiser coming in to inspect a property makes many homeowners uncomfortable, if not downright nervous. Most of this apprehension is due to not knowing what to expect before, during and after an appraisal inspection or "walk-thru". No worries! This handy guide will answer your questions and help you to prepare for your appraisal appointment. Read on. Then use this information to help make your appraisal stress and hassle-free!

Why do I need an appraisal?

You may be a homeowner who has contacted a mortgage banker or broker because you want to refinance or possibly remove your PMI. You may be purchasing a home. Whether or not your lender will order an appraisal depends on multiple factors, such as the type of loan you are seeking, the amount of equity you will have in your home, your credit score, etc. Your lender knows the criteria for your particular loan. Bottom line, if your lender is ordering an appraisal, you need to have one.

What exactly is an appraisal?

An appraisal is an opinion of value. It estimates the probable selling price of your home in your market at a given point in time. It must be performed by a licensed appraiser. Therefore, an internet "valuation" of your home is not an appraisal. An appraisal is NOT a home inspection. A home inspector is licensed to evaluate the physical condition of your property and to note any structural defects. An appraiser looks at the general characteristics of your home in order to compare it to the most similar homes in your neighborhood.

What is the procedure?

Once it has been determined that you need an appraisal, your lender will hire an appraiser who will contact you to set an appointment. During this call, it is very helpful if you can give the appraiser some of the following information:

First, tell the appraiser what kind of home is being appraised. Is it a two-story, ranch, split-level, condominium, town-home, multi-unit?

Be prepared to tell the appraiser how long you have been in your home. If your home was purchased within the past 3 years, you may want to verbally verify the final sales price for the home. If the appraisal is for a purchase, you will want to provide the appraiser with a copy of the sales contract. If the home is an investment property or rental property, you will want to make the appraiser aware of this.

Are there any unusual things about your home? Is it a two-story home in a neighborhood that consists of mostly ranch homes? Was it torn down and rebuilt recently? Do you share a driveway with a neighbor or have another unusual arrangement? Do you have a well and septic system vs. public utilities? Does your home have any zoning issues? Let your appraiser know.

Next, note any and all improvements that you have made to your home, especially the most recent ones.

- Did you replace your roof 3 years ago?
- Purchase a new furnace or air-conditioner?
- Have you replaced any appliances?
- What about remodeling? Have you recently painted the interior/exterior? Installed new carpeting or hard-wood floors? Updated your kitchen or baths? Installed new windows?
- Have you recently finished your basement?
- Constructed an addition?
- Added a new deck or fence?
- Added landscaping?

You can give your appraiser a brief overview of your improvements during your initial phone call. Then tell your appraiser that you will have a complete list of improvements available at the time of inspection. (To compile this list, it helps if you take a quick walk through your home to jog your memory...take a paper and pen with you. There is no need to put the prices of your improvements on your list, though you can if you'd like).

There, that was easy! What you've just done will help to ensure that the appraiser will select the best comparable sales in your neighborhood.

What do I have to know about scheduling the appointment?

When scheduling your appointment, keep in mind that the appraisal will generally take about 1 hour, so be sure to allow enough time if you have somewhere to go afterwards. Also, be aware that your appraisal "walk-through" will have to be done during daylight hours because the appraiser needs to take exterior (and sometimes interior) photographs. Lastly, tell the appraiser about any road construction in your neighborhood or anything else that would delay his or her trip.

When and how do I pay for the appraisal?

Your payment arrangements will probably be discussed during this initial phone call as well. Many appraisal companies will not accept personal checks, so be prepared to pay in either cash at time of inspection or by credit card.

What do I need to do before the appraiser comes?

Besides compiling your list of home improvements, it would be helpful if you can find your "Plat of Survey". This document should be filed with your mortgage papers. It will have your lot dimensions, your legal description and a footprint or outline of your home and its position on your lot. Make a copy of this document to give to your appraiser.

If you live in an attached home such as a condo, you probably won't have a Plat but you may have a legal description page that you can copy for your appraiser.

Also, if you live in an attached home, (condominium, town-home) or any neighborhood that has association fees, write down the amount you pay per month, who you pay it to, and the association phone number. Give that information to your appraiser.

What can I do to improve the value of my home before the appraiser comes?

Unfortunately, there aren't any last-minute "fixes" that will dramatically impact the appraised value of your home. However, you will want to tidy up a bit, especially if interior pictures will be taken. Move any clutter, toys, dirty laundry, etc. Pass a vacuum cleaner or sweep up the morning cereal. But there is no need to stay up until midnight polishing your faucets. Your appraiser is not there to judge your housekeeping!

Also, your appraiser is obliged to inspect every room, so make sure that all areas of your home are accessible.

The Day of the Appraisal Inspection

When the appraiser arrives, please tell the appraiser if you own any pets. If you have dogs, it is best to put them in the garage or a dog crate. (If you do put pets in the garage, you will have to move them later so the appraiser can see the garage as well.)

Then give the appraiser your paperwork, such as your Plat of Survey, your list of home improvements, your association information or sales contract if needed. You can also settle your payment at this time.

What will the appraiser be doing?

All in all, the appraiser is just making impartial observations. Yet, everyone wonders...Why is this taking so long? What is the appraiser writing and writing? Is my home ok?? Is there something wrong??

Well, the appraiser is looking at your home's style and the general condition of your home. The size of your home is being verified. The appraiser is noting any special features in your home, such as vaulted ceilings, a whirlpool tub, fireplace, deck, custom paint or window treatments, etc. Finally, the appraisal form asks for a LOT of specific details about your home, such as the type of woodwork you have and the type of your bathroom flooring. The appraiser is also writing the answers to these questions. Your appraiser is not judging your housekeeping or your decorating style. Promise!

What should I do when the appraiser is there?

That is up to you. You can accompany the appraiser during the walk-thru or not.

Why won't the appraiser tell me what he/she thinks the home is worth?

The appraiser is forbidden by law to discuss any values with the homeowner.

When will my appraisal report be ready?

Your report is generally given to your lender within 3 days after inspection. Your lender will let you know when it is ready.

How can I obtain a copy of my report?

You can obtain a copy of your report from your lender. The appraisal company is forbidden by law to release the appraisal report to anyone other than the company that ordered it. This holds true even if you have paid for the appraisal.

So that's it! That's everything that you can expect before, during and after your appraisal.

Below you will find a checklist to help you prepare:

Before the appointment:

- Tell the appraiser any unusual features about your home or neighborhood
- Give an overview of updating you've done
- Allow plenty of time for the appraisal when scheduling the appointment
- Copy your Plat of Survey, Legal Description and Homeowner Association if applicable.

Here is a list of things you will want to give to your appraiser:

- Plat of Survey
- Any association information
- List of improvements you have made to your home
- A copy of your sales contract if you are purchasing a home.
- Your payment

Next, remember to:

- Kennel the pets
- Have all rooms accessible

Then just relax. Your appraiser is an experienced professional who is well-trained in how to value your home. By cooperating and following the above steps, your appraisal should proceed quickly and smoothly.

Good Luck!