

Alert

Update

Reminder

Clarification

Training
Information

Preview

Appraisal Re-use and Allowable Timeframe Update

Truist takes the opportunity to update and clarify the Key Loan Program appraisal standards around the re-use of an appraisal and appraisal date requirements.

Effective Date

Effective for new locks on or after August 23, 2024.

Background Information

Truist takes this opportunity to update its standards relating to the Re-Use of an Appraisal for a Subsequent Transaction as well as Appraisal Date Requirements.

Bulletin Details

Re-Use of an Appraisal for a Subsequent Transaction Truist updates the appraisal re-use standard as follows:

- The re-use of an origination appraisal for a subsequent transaction is allowed if the following requirements are met:
 - The subsequent transaction may only be a limited cash-out (rate/term) refinance.
 - The age of the appraisal report must be less than 12 months from the note date of the subsequent transaction. If the appraisal report is greater than 120 days from the date of the original note and mortgage, and the subject is not located in a county on the Truist Declining Market Index, then an appraisal update is required. See the preceding section, "Appraisal Date Requirements" within the Standard, for requirements for completing an appraisal update.
 - If the subject property is located in a county on the Truist Declining Market Index, a new appraisal is required.
 - The borrower and the lender/client must be the same on the original and subsequent transaction, with the following exception:
 - In the event of a divorce or legal separation, the borrower for the new transaction must be one of the borrowers on the prior transaction, and the file must document that the borrower for the new transaction obtained the property through a divorce or legal separation.

Note: The appraisal must comply with all other appraisal requirements

Bulletin Details, continued

Appraisal Date Requirements for Existing and New Construction Properties

Truist updates the standard with the addition of the following requirements for the appraisal date.

- The Key Loan Program must follow the appraisal date requirements outlined below:
 - When an appraisal is obtained, the property must be appraised within the 12 months prior to the date of the note and mortgage.
 - When the effective date of the original appraisal report is more than 120 days but less than 12 months from the date of the note and mortgage, the appraiser must perform an appraisal update that includes inspecting the exterior of the property and reviewing current market data to determine whether the property has declined in value since the date of the original appraisal report. This requirement applies regardless of whether the property was appraised as proposed or existing construction. The appraisal update must occur within 120 days prior to the date of the note and mortgage.
 - The original appraiser should complete the appraisal update; however, lenders may use substitute appraisers. When updates are completed by substitute appraisers, the substitute appraiser must review the original appraisal report and express an opinion about whether the original appraiser's opinion of market value was reasonable on the date of the original appraisal report. The lender must note in the file why the original appraiser was not used.
 - The inspection and results of the appraisal update must be reported on the Appraisal Update and/or Completion Report (Form 1004D).
 - If the appraiser indicates on the Form 1004D that the property value has declined, then the lender must obtain a new appraisal for the property.
 - If the appraiser indicates on the Form 1004D that the property value has not declined, then the lender may proceed with the loan in process without requiring any additional fieldwork.
 - When the effective date of the original appraisal report is more than 12 months from the date of the note and mortgage (with or without an appraisal update) a new appraisal report is required.

Before and After Matrix

[Click here](#) to see the before and after matrix that provides a detailed overview of all standard revisions.

Revised Material

Click [Appraisal Standard](#) to review the revised product materials.

Former Standards

See the before and after matrix provided in the Bulletin Details section of this bulletin to access the former standards.

Other Resources

Support Group	Description and Contact Information:
Correspondent Relationship Coordinator	Specific questions on applying this procedure to specific loan files. Contact your Correspondent Relationship Coordinator at 800.382.2111, option 1.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 3.

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