

Alert

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Reminder

Clarification

Training
Information

Preview

Agency Appraisal and Condo Warranty Form Revisions

Truist Bank (Truist) revises Agency Loan Product Advisor® (LPASM) requirements to align with recently announced Freddie Mac updates. With these LPA updates we:

- revise appraisal related requirements by:
 - adding additional examples related to property condition ratings and updating requirements for appraisals that must be completed “subject to” an inspection
 - updating documentation requirements for verifying completion when the appraisal report is completed “subject to” an inspection or the lender’s review of the Property Data Report (PDR) determines an inspection is required
- update the *Certification of Project Compliance: Condominium/PUD Lender Warranties – Agency and Non-Agency Loan Products* ([COR 0212a](#)) form (and equivalent version requirements) to support the collection of new Uniform Loan Delivery Dataset (ULDD) data points for Freddie Mac’s Condo Project Advisor®

We also refresh various Agency LPA appraisal related requirements to more closely align with Freddie Mac’s wording and/or presentation of guidance (*requirements intent remain the same*).

Effective Dates

- All appraisal related updates are effective for loans with applications dated on or after May 06, 2025.
- Use of the revised *Certification of Project Compliance: Condominium/PUD Lender Warranties – Agency and Non-Agency Loan Products* ([COR 0212a](#)) form (or equivalent version with the new CPA data points) is effective immediately for condo warranty forms completed on or after May 02, 2025.

Background Information

Freddie Mac Bulletin 2025-1 announced appraisal updates related to property eligibility (i.e., examples related to property condition ratings and requirements for appraisals that must be completed “subject to” an inspection) and documentation requirements for verification of completion. Freddie Mac Bulletins 2024-3 and 2024-16 announced new ULDD Phase 5 data points for Freddie Mac’s Condo Project Advisor. In response to these publications, we reviewed impacted standard documents and forms and identified the need to implement revisions to align with Freddie Mac requirements. Additionally, in response to Freddie Mac’s recent reformatting of various sections in their *Seller Guide* (announced in Freddie Mac Bulletins 2024-10, 2024-15, 2025-1, and 2025-4), we identified opportunities to improve the presentation of our published LPA appraisal requirements.

Bulletin Details

Appraisal Requirements: Property Eligibility

For LPA loans, we updated appraisal requirements related to property eligibility to:

- require that if detrimental conditions exist on the subject property site, the appraisal report must be completed “subject to” an inspection by a professional, and the mortgage file must include:
 - evidence of the required repair or alteration, or
 - an inspection report that indicates the condition does not require repair or alteration
- include the following additional examples of deficiencies that indicate the property is in C5 or C6 condition:
 - missing or damaged exterior siding or soffits that would allow water or other elements to enter the dwelling
 - missing or damaged interior drywall or plaster such that the functional utility of the subject property is negatively impacted
 - standing water in the property, water seepage/intrusion or significant plumbing leaks
 - damaged or unfinished floor coverings such that the subfloor is exposed in one or more rooms such that the functional utility of the subject property is negatively impacted
- include the following additional example of minor repairs or deficiencies that allow an appraisal report to be completed “as is”:
 - missing electrical panel/breaker box covers

Appraisal Requirements: Documentation Requirements for Verification of Completion

For LPA loans, we revised documentation requirements for verification of completion as follows:

- When an appraisal report is completed “subject to” an inspection of the property or the lender’s review of a PDR determines an inspection is required, the mortgage file must include:
 - an inspection report stating that repairs are not required (i.e., lender reviews to ensure property does not have deficiencies consistent with a C5 or C6 condition rating), or
 - an inspection report and invoice(s) stating that the required repairs have been completed and the issues have been corrected.

Note: The inspection report and invoice(s) must provide the professional’s license number, if applicable. Additionally, the inspection report and invoice(s) must be dated before the settlement date (i.e., the date the loan is purchased by Freddie Mac) and retained in the mortgage file.

Condo Warranty Form Revisions

We revised the *Certification of Project Compliance: Condominium/PUD Lender Warranties – Agency and Non-Agency Loan Products* ([COR 0212a](#)) form to support the collection of the following new ULDD data points for Freddie Mac’s Condo Project Advisor (CPA):

- **FRE Condo Project Advisor Project Assessment Request Identifier (Sort ID 49.3):** Requires delivery of the Project Certified Submission (PCS) # and/or Project Assessment Results (PAR) #

Bulletin Details

Condo Warranty Form Revisions, continued

- **FRE Condo Project Advisor Project Waiver Request Identifier (Sort ID 49.4):** Requires delivery of the Project Waiver Request (PWR) #

Updates made to the condo warranty form are as follows:

- References to **CPA PWR#**, **CPA PCS#**, and **CPA PAR#** were added to the form in the following sections:
 - * **ADDITIONAL SPECIAL FEATURE CODES REQUIRED AS APPLICABLE**
 - **Lender Certification**

Note: The ** beside the **CPA PWR#**, **CPA PCS#**, and **CPA PAR#** references refers the user of the form to the following updated note under the **Lender Certification** section: *** For Freddie Mac CPM - “Approved by Fannie Mae” and CPM - “Certified by Lender” Reciprocal Reviews, type in the CPM ID#. For Freddie Mac CPA, type in the PCS # (Project Certified Submission #), PAR # (Project Assessment Results #), or PWR # (Project Waiver Request #), as applicable. All documents used to determine the CPM/CPA warranty must be delivered with the closed loan package.*

- We removed the prefill text box beside the CPM ID# references for **CPM - “Approved by Fannie Mae” Reciprocal Review** and **CPM - “Certified by Lender” Reciprocal Review** (in the Freddie Mac section, under the SFC column). This revision was made to eliminate entry duplication. When applicable, entry of the CPM ID# is now only required under the **Lender Certification** section of this form.

Important Notes:

- For Freddie Mac, Sort ID 49.3 replaces Special Feature Codes (SFCs) J97 and K01; however, **Truist continues to require** use of SFCs J97 and K01 as follows:
 - Use SFC J97 to identify a condominium unit mortgage with a Project Certified status PAR finding.
 - Use SFC K01 to identify a condominium unit mortgage with a Green or Yellow status PAR finding.
- Correspondent lenders may continue to use their own condo warranty form; however, it must be equivalent to Truist’s revised [COR 0212a](#) form (i.e., the new CPA delivery data points must be included on the equivalent warranty forms delivered to Truist).

Standards Improvements Updates

All other updates made to the subtopics outlined below were in support of our standards improvement initiative. With these additional updates, we refreshed LPA appraisal requirements to more closely align with Freddie Mac’s wording and/or presentation of guidance (*intent of requirements remained the same*).

- **Refreshed Requirements:**
 - General Property Eligibility Requirements
 - Appraisal Age, Appraisal Update, and Appraisal Use Requirements
 - Lender Responsibilities

Bulletin Details, continued

Standards Improvements Updates, continued

- **Refreshed Requirements, continued:**

- Appraiser Selection Criteria
- Disclosure of Information to Appraisers
- Review of the Appraisal Report
- Site Section of the Appraisal Report
- Improvements Section of the Appraisal Report (*various subsections*)
- Properties with Two or More Parcels

- **Revised Subtopic Title:**

- The “Appraisal Age, Appraisal Update and/or Completion Report, and Appraisal Use Requirements” subtopic title was revised to “Appraisal Age, Appraisal Update, and Appraisal Use Requirements” (*i.e., removed reference to “and/or Completion Report” from the title; see the “Relocated Requirements” section below for additional details on standard improvement updates related to Completion/Inspection Reports*).

- **Relocated Requirements:**

- **Completion/Inspection Reports:** Relocated requirements from the “Appraisal Age, Appraisal Update, and Appraisal Use Requirements” subtopic to the “Requirements for Verifying Completion and Postponed Improvements / Eligibility of a Property with Incomplete Improvements” subtopic. (**Note:** *This change promotes consistency with the location of completion/inspection report requirements for Fannie Mae non-AUS and DU loans.*)
- **Site Section of the Appraisal Report / Additional Parcels:** Relocated requirements from the “Site Section of the Appraisal Report” subtopic to the “Properties with Two or More Parcels” subtopic.
- **Lender Representations and Warranties Regarding Appraisers and Appraisal Reports:** Relocated requirements from the “Lender Responsibilities” subtopic to the “Appraiser Selection Criteria” subtopic.
- **Detrimental Conditions:** Relocated requirements from the “Property Condition and Quality of Construction of the Improvements” subtopic to the “Site Section of the Appraisal Report / Environmental Issues and Detrimental Conditions” subtopic/subsection.
- **Owner of Record:** Relocated requirements from the “Review of the Appraisal Report” subtopic to the “Lender Requirements” subtopic.

Before and After Matrix

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

Bulletin Details, continued

Revised Materials

Click [Condominium and PUD Approval Requirements Standard](#), [Appraisal Standard](#), [Agency Loan Standard](#), and *Certification of Project Compliance: Condominium/PUD Lender Warranties – Agency and Non-Agency Loan Products* ([COR 0212a](#)) 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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