

Market Conditions Addendum to the Appraisal Report File

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address 1 City State Zip Code

Borrower

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

| Inventory Analysis | Prior 7-12 Months | Prior 4-6 Months | Current - 3 Months | Overall Trend | | |
|--|--|------------------|--------------------|-------------------------------------|---------------------------------|-------------------------------------|
| Total # of Comparable Sales (Settled) | | | | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Absorption Rate (Total Sales/Months) | | | | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Total # of Comparable Active Listings | | | | <input type="checkbox"/> Declining | <input type="checkbox"/> Stable | <input type="checkbox"/> Increasing |
| Months of Housing Supply (Total Listings/Ab.Rate) | | | | <input type="checkbox"/> Declining | <input type="checkbox"/> Stable | <input type="checkbox"/> Increasing |
| Median Sale & List Price, DOM, Sale/List% | Prior 7-12 Months | Prior 4-6 Months | Current - 3 Months | Overall Trend | | |
| Median Comparable Sale Price | | | | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Median Comparable Sales Days on Market | | | | <input type="checkbox"/> Declining | <input type="checkbox"/> Stable | <input type="checkbox"/> Increasing |
| Median Comparable List Price | | | | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Median Comparable Listings Days on Market | | | | <input type="checkbox"/> Declining | <input type="checkbox"/> Stable | <input type="checkbox"/> Increasing |
| Median Sale Price as % of List Price | | | | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Seller-(developer, builder, etc.) paid financial assistance prevalent? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | | <input type="checkbox"/> Declining | <input type="checkbox"/> Stable | <input type="checkbox"/> Increasing |

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.).

Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties).

Cite data sources for above information.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

| Subject Project Data | Prior 7-12 Months | Prior 4-6 Months | Current - 3 Months | Overall Trend | | |
|---|-------------------|------------------|--------------------|-------------------------------------|---------------------------------|-------------------------------------|
| Total # of Comparable Sales (Settled) | | | | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Absorption Rate (Total Sales/Months) | | | | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Total # of Active Comparable Listings | | | | <input type="checkbox"/> Declining | <input type="checkbox"/> Stable | <input type="checkbox"/> Increasing |
| Months of Unit Supply (Total Listings/Ab. Rate) | | | | <input type="checkbox"/> Declining | <input type="checkbox"/> Stable | <input type="checkbox"/> Increasing |

Are foreclosure sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

| | |
|--|--|
| Signature | Signature |
| Appraiser Name Administrator | Supervisory Appraiser Name |
| Company Name | Company Name |
| Company Address | Company Address |
| State License/Certification # State | State License/Certification # State |
| Email Address | Email Address |

MARKET RESEARCH & ANALYSIS

CONDO / CO-OP PROJECTS

APPRAISER