

Repurchase Active Loan Initial Notification

RESCINDED

Date of Notification

Action Requested: Repurchase Loan

Note: Repurchase Funds should be remitted during your next accounting cycle with an activity code of 65. Refer to our Servicing Guide for specific instructions.

Loan Information:

Fannie Mae Loan No:

Servicer Loan Number:

Borrower(s):

Property Address:

GEORGETOWN, SC 29440-3631

Seller Name:

Seller No:

Servicer Name:

Servicer No:

Broker/Originator:

REO Status:

Amount Requested: Contact your investor accounting department.

Findings:

Unacceptable Appraisal: The origination appraisal did not adequately support a value of \$600,000 as of . As a part of our underwriting process, we engaged another appraiser from the area to complete a field review of the appraisal. We have identified issues that were unacceptable appraisal practices as noted in *the Fannie Mae Selling Guide* in effect on the date of loan delivery.

1. Development of and/or reporting an opinion of market value that is not supportable by market data or that is misleading:
 - The adjusted price of Sale Two did not support the conclusion even without the unsupported adjustments for age and historic features.
 - The adjusted price of Sale Three did not support the conclusion even without the unsupported adjustments for age and quality of construction.
2. Failure to adequately analyze and report any current contract of sale, option, offering, or listing of the subject property and the prior sales of the subject property and the Sales:

Repurchase Active Loan Initial Notification

- According to the appraisal, the borrower acquired the subject property for \$236,000 on [redacted]. The appraised value of \$600,000 represented a 154-percent increase over the \$236,000 price the borrower paid for the property approximately 30 months prior to the date of appraisal. Although the appraisal reported the subject's prior sale, it failed to adequately analyze its impact on the subject's appraised value.
3. Selection and use of inappropriate comparable sales or the failure to use comparable sales that are locationally and physically the most similar to the subject property:
- Sale One was 67 percent larger than the subject in living area and not similar in site size. Furthermore, the Reviewer reported that Sale One was superior in quality and in a superior location that was 1 block from the newly renovated waterfront. There were sales available that were more similar in size, site size and location.
 - Sale Three was 22 percent larger than the subject in living area and not similar in site size. Furthermore, the Reviewer reported that Sale Three was superior in quality and in a superior location that was 1 block from the newly renovated waterfront. There were sales available that were more similar in size, site size and location.
 - Pending Sale Four was 23 percent larger than the subject in living area and not similar in site size. There were sales available that were more similar in size and site size.
4. Use of adjustments to the sales that do not reflect the market's reaction to the differences between the subject property and the sales, not supporting the adjustments in the sales comparison approach, or the failure to make adjustments when they are clearly indicated:
- The age adjustments were not supported by any data.
 - The quality adjustment to Sale Three was not supported by any data or by the interior photos of Sale Three provided in the MLS.
 - The adjustment for fewer historic features for Sale Two was not supported by the MLS description of Sale Two.

The reviewer presented and analyzed two alternative sales from the subject's, market and re-analyzed Origination Sale Two. Based on these sales, the reviewer estimated the subject's market value to have been \$425,000. This was 29-percent lower than the value estimate reached in the origination appraisal and resulted in a loan-to-value ratio of 98 percent. Consequently, the loan was ineligible for delivery to Fannie Mae

Fannie Mae Contacts:

Underwriting Consultant:

Underwriting Director:

Responses with additional information may be submitted via QAS or by contacting your Underwriting Consultant, if they are submitted no later than [redacted]

Repurchase Active Loan Initial Notification

Additional Loan Information

Fannie Mae Loan Number:

Servicer Loan Number

Borrower(s):

Property Address:

GEORGETOWN, SC 29440-3631

Review Type: Early Payment Default Review

LTV: 70.00%

CLTV: 70.00%

HCLTV: NA

Product: 30 Year FRM

Occupancy: Principal

Loan Purpose: C/O Refinance

Property Type: Detached

AUS: DU

Recommendation: Approve/Eligible

Contract Number:

Closing Date:

LPI Date:

**Special Feature Code
(s):**

Origination

Appraiser: