

APPRAISAL REVIEW DISCLOSURE

A SIMULTANEOUS APPRAISAL AND MORTGAGE CREDIT REVIEW is permissible if the lender discloses to the borrower that the appraised value may be adjusted by the lender's DE underwriter. The disclosure shown below becomes part of the official file submitted to HUD for endorsement and must be signed by the borrower(s).

"I (We) understand that my (our) application for a FHA-insured mortgage is being processed under the Direct Endorsement (DE) program. The lender has advised me (us) that the appraiser has assigned a value of \$_____ to the property being purchased. I am (We are) aware that the official determination will be made by the DE underwriter when he/she reviews the report. It is understood that I (we) may elect to cancel the application or renegotiate with the seller if the DE underwriter reduces the value below the amount set forth in the sales contract or requires additional repairs for which the seller will not be responsible."

_____ / ____ / ____

_____ / ____ / ____