

The Appraisal Is Changing.

REQUIRED STARTING

NOV 2, 2026

Fannie Mae and Freddie Mac now require a redesigned appraisal report. It changes how a home is **measured, described and photographed**. Not who decides value.

TIMING, VERIFIED WITH FANNIE MAE AND FREDDIE MAC

The Road to the New Report



Did the date move? No. On Sept 30, 2026 both agencies confirmed Nov 2 (based on each report's first submission date) and added a one-time exception for lenders that need more time. Expect both report styles this winter. FHA, VA and USDA set their own timing.

WHAT IS CHANGING

Four Shifts Agents Will Feel



Square Footage by ANSI

Split above and below grade. Partly below grade counts as below. Low-ceiling rooms are reported as nonstandard area.



More Required Photos

Front of the home, every kitchen, bath and bedroom, and main living areas. Below-grade areas and updates when present.



One Data-Driven Report

Replaces the 1004, 1073, 2055, 1025 and other forms. Structured fields replace the long General Addendum.



Condition, Inside and Out

Separate interior and exterior ratings. Every kitchen and bath gets an update status, time frame and condition.

14→1

Legacy appraisal forms retired, replaced by one dynamic report

Facts are fine. Pressure is not.

Share updates, dates, permits and recent sales with the appraiser. Never ask for a target value.

What's Changing and Why.

Consistent data

The stated goal: improve the quality and consistency of appraisal data.

One structure, every home

One report for all property and inspection types, built on the MISMO 3.6 data standard.

Cleaner reviews

Freddie Mac says the new report improves the review process and reduces revisions.

BEFORE (UAD 2.6)

NOW (UAD 3.6)

WHY IT MATTERS

01 One Dynamic Report Replaces Fixed Forms

A separate fixed form for each property type: 1004 for a house, 1073 for a condo, 2055 for exterior only, 1025 for 2 to 4 units. Fourteen forms in all.

One report for every property and inspection type. The property's data decides which sections appear.

No form number to choose. Every home gets the same structure, showing only what applies to it.

02 Structured Fields Replace Paragraphs

Key details written as narrative:

"Kitchen recently remodeled."

Extra required data went into an open-ended comment addendum.

Set fields for every kitchen and bath:

Update status	e.g. Fully Updated
Time frame of update	selected
Condition status	selected

One kitchen could be called "updated," "remodeled" or "modern." Set choices mean every appraiser describes it the same way.

03 Square Footage in Six ANSI Categories

Reported with the legacy terms gross living area and basement.

Finished, nonstandard finished and unfinished area, **each above and below grade**, under ANSI Z765-2021.

One repeatable measuring method. Local custom cannot change it, so report and listing numbers may differ.

04 Condition and Quality, Inside and Out

One overall condition rating (C1 to C6) and quality rating (Q1 to Q6). Not applied to manufactured homes.

Same scales with rewritten definitions, **plus separate interior and exterior ratings**. Manufactured homes included.

Clearer lines between ratings, and the report can show when the inside and outside differ.

05 Data Built for Review

UAD 2.6 dataset, with many facts spread into comments.

Built on the **MISMO 3.6** industry data standard, with discrete, repeatable data points.

Lender systems and the agencies' review tools, Collateral Underwriter and Loan Collateral Advisor, can read it consistently.

More Detail, Fewer Gray Areas.

BEFORE (UAD 2.6)	NOW (UAD 3.6)	WHY IT MATTERS
06 A Defined Photo List		
Photos attached to the form as addendum pages.	Photos set by report section: front, street scene, every kitchen, bath, bedroom and main living area. Rear, below-grade areas and recent updates when relevant.	The agencies spell out required, conditional and optional photos to reduce uncertainty and improve data quality.
07 Defects Become Data		
Needed repairs described in the condition narrative.	Each item logged with location, photo, whether it affects soundness and a recommended action: repair, inspection, completion or none.	Lenders see exactly what needs attention, so repair items can turn into clear loan conditions.
08 New Property Data Points		
Many of these features had no dedicated field.	Roof age, front door height, broadband, solar owned or leased, energy ratings such as HERS, disaster mitigation features, converted areas, ADU detail.	Specific facts help lenders confirm eligibility and risk. Leased solar or an ADU is easy to spot.
09 Fewer Add-On Forms		
A separate rent schedule (1007) and one combined update and completion report (1004D).	Market rent sits in a Rental Information section. Update and completion are two separate reports tied to the original.	Fewer stand-alone forms, and each follow-up links back to the same appraisal.
DID NOT CHANGE Still the Same ■ How homes are valued. The report's purpose is unchanged. ■ Adjustments must reflect what the market pays. ■ The C1 to C6 and Q1 to Q6 rating scales. ■ Appraiser independence rules.		

What This Means for Your Sellers

- Dated updates, permits and receipts help the appraiser fill the update and time frame fields accurately.
- Square footage may read lower than the MLS or tax record when space is below grade or under 7 feet.
- Small maintenance items can show up as defects with a recommended action. Fix them first.
- A remodel adds what the market pays for it, not what it cost. Adjustments must be market based.

What This Means for Your Buyers

- The report looks different: no form number, and sections appear only when they apply.
- A report made subject to repair can show two condition ratings: as is and after repairs.
- Repair or inspection items in the defects section can become loan conditions. Read them early.
- Early reports in the new format may take longer while appraisers adjust. Build in time.

Prep the Listing. Prepare the Buyer.

Listing Prep

FOR LISTING AGENTS

BEFORE YOU LIST

- ☐ Square footage by grade level, with source
- ☐ Beds, baths, year built, lot size match records
- ☐ Flag low, sloped or hard-to-reach rooms
- ☐ Dated update list: kitchen, baths, floors, roof, HVAC, windows, water heater
- ☐ Permits and receipts for additions, basements, ADUs
- ☐ Solar owned or leased, plus contract and HERS

BEFORE THE APPRAISER ARRIVES

- ☐ Clear access: attic, crawl space, furnace, panel
- ☐ Fix drips, outlet covers, cracked glass and loose railings. Test smoke and CO detectors.
- ☐ Tidy every kitchen, bath, bedroom for photos
- ☐ Seller's five features a walk-through misses
- ☐ Update list, permits and pricing comps ready

Buyer Side

FOR BUYER AGENTS

WRITING THE OFFER

- ☐ Ask the lender which report format they use
- ☐ Walkout or garden level? It reports below grade.
- ☐ Build an appraisal buffer into contract dates
- ☐ Condo in an apartment-style building: measured by interior perimeter

WHEN THE REPORT ARRIVES

- ☐ Read the defects. Repair or inspection items can become conditions.
- ☐ Compare interior and exterior ratings separately
- ☐ Check above-grade area against the listing
- ☐ Investors: market rent is inside the report

THE ANSI CEILING RULE

7 FT

Minimum ceiling for finished area. A sloped room needs half its floor at 7 feet and none under 5. Stairs count with the floor they descend from.

Allowed

- Share facts: updates, dates, permits, floor plan
- Ask the appraiser to consider other relevant comparable sales
- Ask for more detail on how value was reached
- Ask to correct factual errors

Not allowed

- Asking for a target, minimum or maximum value
- Implying future work depends on the number
- Any pressure, inducement or instruction on value

On the day and after

- If you meet the appraiser, be ready with the MLS sheet, update list and comps
- Answer questions directly
- Reply quickly to follow-up document requests

Per federal valuation rules (Regulation Z, 12 CFR 1026.42), which name real estate agents as covered persons.



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Heading to appraisal? Send the listing or contract over for a quick review.

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Sources as of Oct 19, 2026: Fannie Mae LL-2026-08 and Freddie Mac Bulletin 2026-J (Sept 30, 2026); joint GSE policy exception announcement and UAD 3.6 FAQs (Sept 30, 2026); Fannie Mae and Freddie Mac UAD web pages; GSE UAD 3.6 job aids (June 23, 2026) and sample scenario SF1; Fannie Mae Selling Guide B4-1.3-05, SEL-2021-11 and ANSI FAQ; Regulation Z, 12 CFR 1026.42 (CFPB). Requirements can change and lender rollouts vary.