



Declining Markets Appraisal Checklist

The table below is a summary of transactions and their respective declining market requirements.

Transaction	Declining Market
<ul style="list-style-type: none"> Agency (all LTV/TLTVs), Agency Affordable, and Agency Plus 	<ul style="list-style-type: none"> Excluded from the Declining Markets requirements. Underwriters should follow the appraisal guidelines within the applicable product description. <p>Note: The appropriate level of due diligence should be performed to ensure that the appraisal and collateral value are well supported.</p>
<ul style="list-style-type: none"> Key Loan 	For properties located in a declining market, the Declining Markets requirements apply and will require a 5% reduction to all LTV/TLTV limits.
<ul style="list-style-type: none"> Portfolio Affordable Housing SunTrust Construction-Permanent Loan Program 	For properties located in a declining market, the Declining Markets requirements apply and will require a 5% reduction to all LTV/TLTV limits greater than 75%.
<ul style="list-style-type: none"> FHA, VA, and Rural Development 	Excluded from the LTV/TLTV reduction AND appraisal requirements of the Declining Markets section. Follow the declining market requirements set forth by HUD, VA, & USDA.

Note: Loans that require mortgage insurance must follow the more restrictive guidelines of SunTrust or the MI company.

Appraisal and/or SunTrust Mortgage Declining Markets Index Deems Market to be Declining:

- **Appraisal expires in 90 days**
- **5% reduction to max LTV/CLTV for product applies**

	Three (3) comparable sales within six (6) months of appraisal date.
	Negative time adjustments must be made for comps over ninety (90) days old.
	Comparable sales utilized are within subject's immediate neighborhood, or appraiser addressed the fact that more recent sales are available outside the immediate neighborhood and one (1) from subject neighborhood must be provided.
	One (1) pending sale or current listing including number of days on market and adjusted per list to sales price ratio.
	Demand/Supply and Marketing Time correlate with comparable sales provided.
	If over supply – appraiser must comment on reason and impact on the value
	If marketing time exceeds six (6) months, appraiser must comment on reason and impact on the value.
	Did appraiser review the contract and address sales/financing concessions?

Appraiser Deems Market to be Stable

- **Stable Market must be supported by appraisal data**

	Two (2) comparable sales within ninety (90) days – One (1) within immediate neighborhood.
	Number of days on market reported for each comparable sale and correlates with appraiser's estimate of marketing time on page one (1).
	One (1) <i>pending sale</i> including number of days on market & contract date to illustrate market stability – from immediate neighborhood. If this is not possible then the appraiser needs to provide two (2) <i>current listings</i> from the subject's immediate neighborhood.
	Detailed explanation of local market conditions and/or additional pending sales to substantiate value, marketability and stable market.
	The reviewer should utilize other tools available such as CoreLogic to validate the opinion expressed in the appraisal that the subjects market is not declining.

Important Notes:

- Reviewer/Underwriter must be able to validate the opinion expressed in the appraisal (stable market) in order to take advantage of the higher LTV.
- A full appraisal must be obtained in order to document value.

Reference: See Section 1.17: Declining Markets of the *Broker Seller Guide* for additional information.