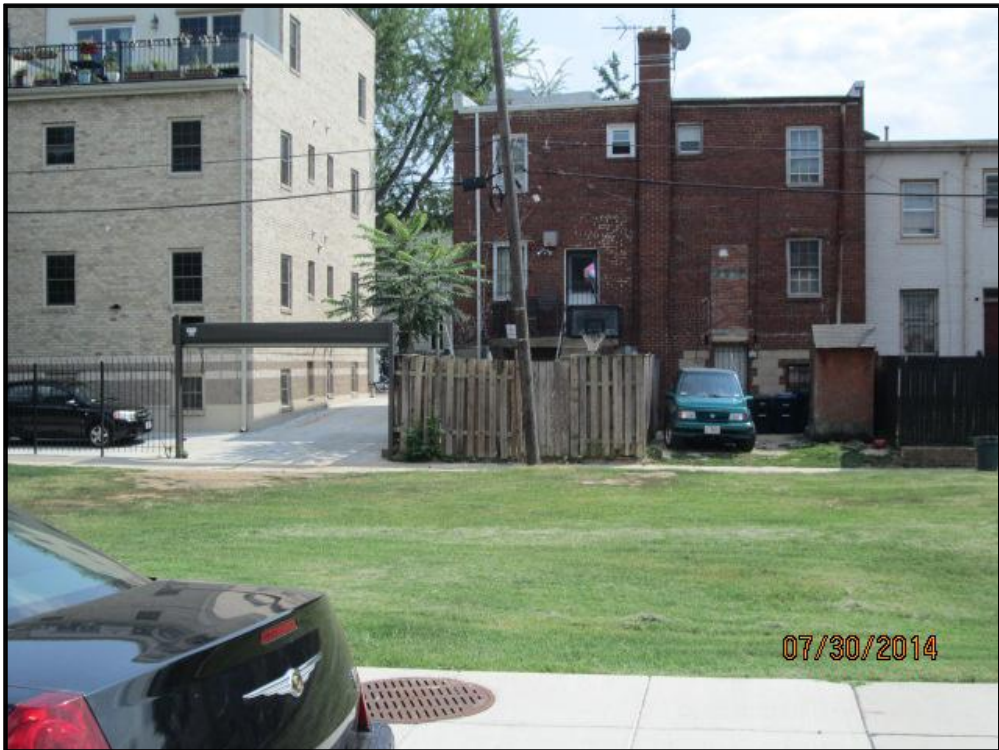


RESIDENTIAL APPRAISAL REPORT



SUBJECT

Property Location:	1615 KRAMER STREET, NE SQUARE 4540 LOT 0228 WASHINGTON, DC 20002
Borrower:	THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Client:	DC GOVT - HOME INITIATIVE PROGRAM PROPERTY ACQUISITION & DISPOSITION DIVISION WASHINGTON, DC 20002
Effective Date:	JULY 30, 2014
Prepared By:	RONALD HUDSON MARKET APPRAISAL CORPORATION MAC REAL ESTATE APPRAISAL & CONSULTANTS



MARKET APPRAISAL CORPORATION
137 TENNESSEE AVENUE, NE
WASHINGTON, DC 20002

THANK-YOU FOR YOUR BUSINESS

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	1615 KRAMER STREET, NE
	Legal Description	SQUARE 4540 LOT 0228
	City	WASHINGTON
	County	N/A
	State	DC
	Zip Code	20002
	Census Tract	0079.01
	Map Reference	47894
SALES PRICE	Sale Price	\$ PRESALE
	Date of Sale	N/A
CLIENT	Borrower/Client	THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
	Lender	DC GOVT - HOME INITIATIVE PROGRAM
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	600 (TRUE VACANT LOT)
	Price per Square Foot	\$ 115.00
	Location	OLD CITY #1
	Age	
	Condition	
	Total Rooms	
	Bedrooms	
	Baths	
APPRAISER	Appraiser	RONALD HUDSON
	Date of Appraised Value	JULY 30, 2014
VALUE	Final Estimate of Value	\$ 69,000

Appraisal Report

LAND APPRAISAL REPORT

File No. 122-14

SUBJECT	Borrower THE DEPARTMENT OF HOUSING AND COMMUNITY DEVI		Census Tract 0079.01		Map Reference 47894							
	Property Address 1615 KRAMER STREET, NE											
	City WASHINGTON		County N/A		State DC	Zip Code 20002						
	Legal Description SQUARE 4540 LOT 0228											
NEIGHBORHOOD	Sale Price \$ PRESALE		Date of Sale N/A		Loan Term N/A yrs.							
	Property Rights Appraised <input checked="" type="checkbox"/> Fee		<input type="checkbox"/> Leasehold		<input type="checkbox"/> De Minimis PUD							
	Actual Real Estate Taxes \$ 1/DC (yr)		Loan charges to be paid by seller \$ UNK		Other sales concessions NONE NOTED							
	Lender/Client DC GOVT - HOME INITIATIVE PROGRAM		Address									
	Occupant VACANT		Appraiser RONALD HUDSON		Instructions to Appraiser TO DETERMINE FAIR MARKET VALUE AS IS							
	Location <input checked="" type="checkbox"/> Urban		<input type="checkbox"/> Suburban		<input type="checkbox"/> Rural							
	Built Up <input checked="" type="checkbox"/> Over 75%		<input type="checkbox"/> 25% to 75%		<input type="checkbox"/> Under 25%							
	Growth Rate <input checked="" type="checkbox"/> Fully Dev. <input type="checkbox"/> Rapid		<input type="checkbox"/> Steady		<input type="checkbox"/> Slow							
	Property Values <input type="checkbox"/> Increasing		<input checked="" type="checkbox"/> Stable		<input type="checkbox"/> Declining							
	Demand/Supply <input checked="" type="checkbox"/> Shortage		<input type="checkbox"/> In Balance		<input type="checkbox"/> Oversupply							
Marketing Time <input checked="" type="checkbox"/> Under 3 Mos.		<input type="checkbox"/> 4-6 Mos.		<input type="checkbox"/> Over 6 Mos.								
Present 55 % One-Unit		15 % 2-4 Unit		% Apts. 20 % Condo								
Land Use 5 % Industrial		3 % Vacant		% Commercial								
Change in Present <input type="checkbox"/> Not Likely		<input checked="" type="checkbox"/> Likely (*)		<input type="checkbox"/> Taking Place (*)								
Land Use (*) From VACANT		To RESIDENCE										
Predominant Occupancy <input checked="" type="checkbox"/> Owner		<input type="checkbox"/> Tenant		3 % Vacant								
One-Unit Price Range \$ 100,000 to \$ 1,200,000		Predominant Value \$ DENTIAL//RE										
One-Unit Age Range 15 yrs. to 100 yrs.		Predominant Age 75 yrs.										
Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) See attached addenda.												
SITE	Dimensions 50 X 12		= 600		<input type="checkbox"/> Corner Lot							
	Zoning Classification R4-RES ROW WIDTH 18 AREA 1,800 60% LOT OCCUR		Present Improvements <input type="checkbox"/> Do		<input checked="" type="checkbox"/> Do Not Conform to Zoning Regulations							
	Highest and Best Use <input checked="" type="checkbox"/> Present Use		<input type="checkbox"/> Other (specify) use as lot to adjacent lot.									
	Public Other (Describe)		OFF SITE IMPROVEMENTS		Topo LEVEL							
	Elec. <input checked="" type="checkbox"/>		Street Access <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private		Size TYPICAL OF NGHB							
	Gas <input checked="" type="checkbox"/>		Surface Concrete		Shape RECTANGLE							
	Water <input checked="" type="checkbox"/>		Maintenance <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private		View RESIDENTIAL HOMES							
	San. Sewer <input checked="" type="checkbox"/>		<input checked="" type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/> Curb/Gutter		Drainage APPEARS ADEQUATE							
	<input checked="" type="checkbox"/> Underground Elect. & Tel.		<input checked="" type="checkbox"/> Sidewalk <input checked="" type="checkbox"/> Street Lights		Is the property located in a FEMA Special Flood Hazard Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
	Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) THE SUBJECT SITE IS A SMALL VACANT LOT GRASS COVERED. THIS IS ADVERSE CONDITION WHICH WILL HAVE AN AFFECT ON THE MARKETABLTLY OF THE LOT. THE ADVERSE CONDITION NOTE IS THE SITE SIZE, THAT LIMIT ANY REQUIRED USE IN ACCORDANT WITH ZONING.											
MARKET DATA ANALYSIS	The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.											
	ITEM		SUBJECT PROPERTY		COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3			
	Address 1615 KRAMER STREET, NE WASHINGTON, DC 20002		GALLAUDET STREET NE WASHINGTON, DC 20002		KENDALL STREET NE WASHINGTON, DC 20002		737 6th St NE Washington, DC 20002					
	Proximity to Subject		1.14 miles N		1.12 miles N		0.89 miles W					
	Sales Price		\$ PRESALE		\$ 175,000		\$ 175,000		\$ 220,000			
	Price SQFT		\$		\$ 85.45		\$ 34.21		\$ 209.92			
	Data Source(s)		INSPECTION		INSPECTION/ASSESSMENT/MLS		INSPECTION/ASSESSMENT/MLS		INSPECTION/ASSESSMENT/MLS			
	ITEM		DESCRIPTION		DESCRIPTION		+ (-) \$ Adjust.		DESCRIPTION		+ (-) \$ Adjust.	
	Date of Sale/Time Adj.		N/A		JUNE 30, 2014				DEC. 26, 2013			
	Location		OLD CITY #1		BRENTWOOD INFERIOR		+10,000		BRENTWOOD INFERIOR		+10,000	
	Site/View		RESIDENTIAL HOMES		RESIDENTIAL HOMES				RESIDENTIAL HOMES			
	SIZE		600 SF 50 X 12		2,408 SQFT		-60,000		5,115 SQFT		-85,000	
	TOPOGRAPHY		LEVEL		LEVEL/CORNER		-15,000		LEVEL			
	ZONE		R4,		R4				R4			
	LANDSCAPING		FLAT-GRASS		FLAT-GRASS				FLAT-GRASS			
	Sales or Financing		UNK		CONVENTIONAL				CONVENTIONAL			
	Concessions		NONE NOTED		NO CONC RPTD				NO CONC RPTD			
	Net Adj. (Total)				<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -65,000		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -75,000		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -100,000			
	Indicated Value of Subject				Net 37.1 % Gross 48.6 % \$ 110,000		Net 42.9 % Gross 54.3 % \$ 100,000		Net 45.5 % Gross 68.2 % \$ 120,000			
	Comments on Market Data COMPS#1 & #2 ADJ. FOR LESS DESIRABLE LOCATION VIS SUBJ; COMPS #3 & #5 THE MARKET INDICATED AN ADJ. FOR TIME; COMPS #3 & #5 HAS A MORE DESIRABLE LOCATION VIS SUBJ. MADE MARKET ADJ. ALL COMPS WERE ADJ. FOR SIZE VIS SUBJ.; COMP. #1 CORNER FRONT ON TWO STR., VIS ROW LOT COMP #3 & #5 END MADE ADJ. COMP#4 HAS A WASA 22FT WATER LINE EASEMENT MADE ADJ. ALL COMPARABLE ARE ZONE R4 LIKE SUBJECT.											
RECONCILIATION	Comments and Conditions of Appraisal SUBJECT PROPERTY IS VACANT LOT WITH OPEN SPACES, NOT SUITABLE TO BUILD ON , COMPARBLES USED IN THIS REPORT REPRESENT THE BEST AVAILABLE LAND SALE IN THE SUBJECT MARKET AREA. ALL ADJUSTMENTS WERE BASED ON THIS APPRAISER'S ANALYSIS OF THE MARKET PLACE. ALL COMPARBLES UNITIZED IN THIS REPORT ARE TRUE VACANT LOTS. SUBJECT HAS VALUE, IT ZONING REQUIREMENT PROHIBITED ANY USE THAT WOULD SUPPORT ANY MARKETABILITY. THE HIGHEST AND BEST USE FOR THE SITE FOR CONSTRUCTION OF S/F TH SALE \$250,0000 - \$350,000.											
	Final Reconciliation THE FINAL ESTIMATE VALUE WAS BASED ON ADJ. COMP#3 CLOSEST IN SIZE VALUE OF \$120,000 LOTS SIZE 1,046 SF. VALUE OF \$114.72 PER SF. \$115.00 ROUNDED. WHEN APPLIED TO THE SUBJECT SQUARE FOOTAGE OF 600 SF X \$115.00 = \$69,000. THE SALES COMPARISON IS CONSIDERED TO BE THE MOST RELIABLE INDICATOR OF VALUE FOR LAND.											
	I (WE) ESTIMATE THE MARKET VALUE AS DEFINED, OF THE SUBJECT PROPERTY AS OF JULY 30, 2014 TO BE \$ 69,000											
	Appraiser RONALD HUDSON					Supervisory Appraiser (if applicable)						
	Date of Signature and Report August 04, 2014					Date of Signature						
	Title APPRAISER					Title						
State Certification # ST					State Certification # ST							
Or State License # 145 ST DC					Or State License # ST							
Expiration Date of State Certification or License 02/28/2016					Expiration Date of State Certification or License							
Date of Inspection (if applicable) JULY 30, 2014					<input type="checkbox"/> Did <input type="checkbox"/> Did Not Inspect Property Date of Inspection							

Subject Photo Page

Borrower/Client	THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT				
Property Address	1615 KRAMER STREET, NE				
City	WASHINGTON	County	N/A	State	DC
				Zip Code	20002
Lender	DC GOVT - HOME INITIATIVE PROGRAM				



VIEW OF SITE FRONT

1615 KRAMER STREET, NE
Sales Price PRESALE
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location OLD CITY #1
View RESIDENTIAL HOMES
Site
Quality
Age



VIEW OF SITE REAR



SITE STREET

Comparable Photo Page

Borrower/Client	THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT					
Property Address	1615 KRAMER STREET, NE					
City	WASHINGTON	County	N/A	State	DC	Zip Code 20002
Lender	DC GOVT - HOME INITIATIVE PROGRAM					



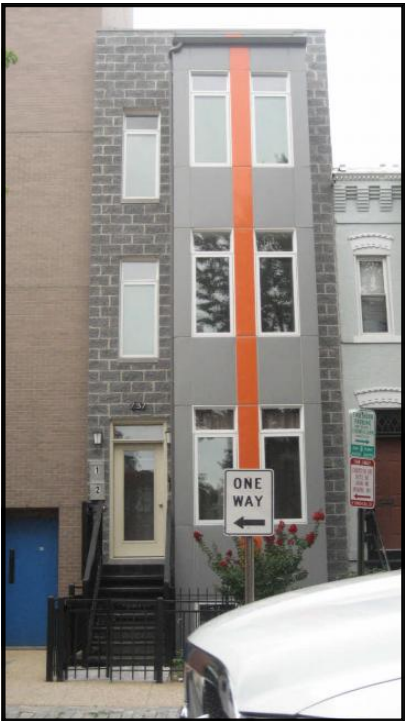
Comparable 1

GALLAUDET STREET NE	
Prox. to Subject	1.14 miles N
Sales Price	175,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	BRENTWOOD INFERIOR
View	RESIDENTIAL HOMES
Site	
Quality	
Age	



Comparable 2

KENDALL STREET NE	
Prox. to Subject	1.12 miles N
Sales Price	175,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	BRENTWOOD INFERIOR
View	RESIDENTIAL HOMES
Site	
Quality	
Age	



Comparable 3

737 6th St NE	
Prox. to Subject	0.89 miles W
Sales Price	220,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	OLD CITY #1 SUPERIOR
View	RESIDENTIAL//RETIAL
Site	
Quality	
Age	
	present-day construction

Comparable Photo Page

Borrower/Client	THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT				
Property Address	1615 KRAMER STREET, NE				
City	WASHINGTON	County	N/A	State	DC
				Zip Code	20002
Lender	DC GOVT - HOME INITIATIVE PROGRAM				



Comparable 4

1717 E St NE
Prox. to Subject 0.14 miles SE
Sales Price 280,000
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location OLD CITY #1
View RESIDENTIAL HOMES
Site
Quality
Age



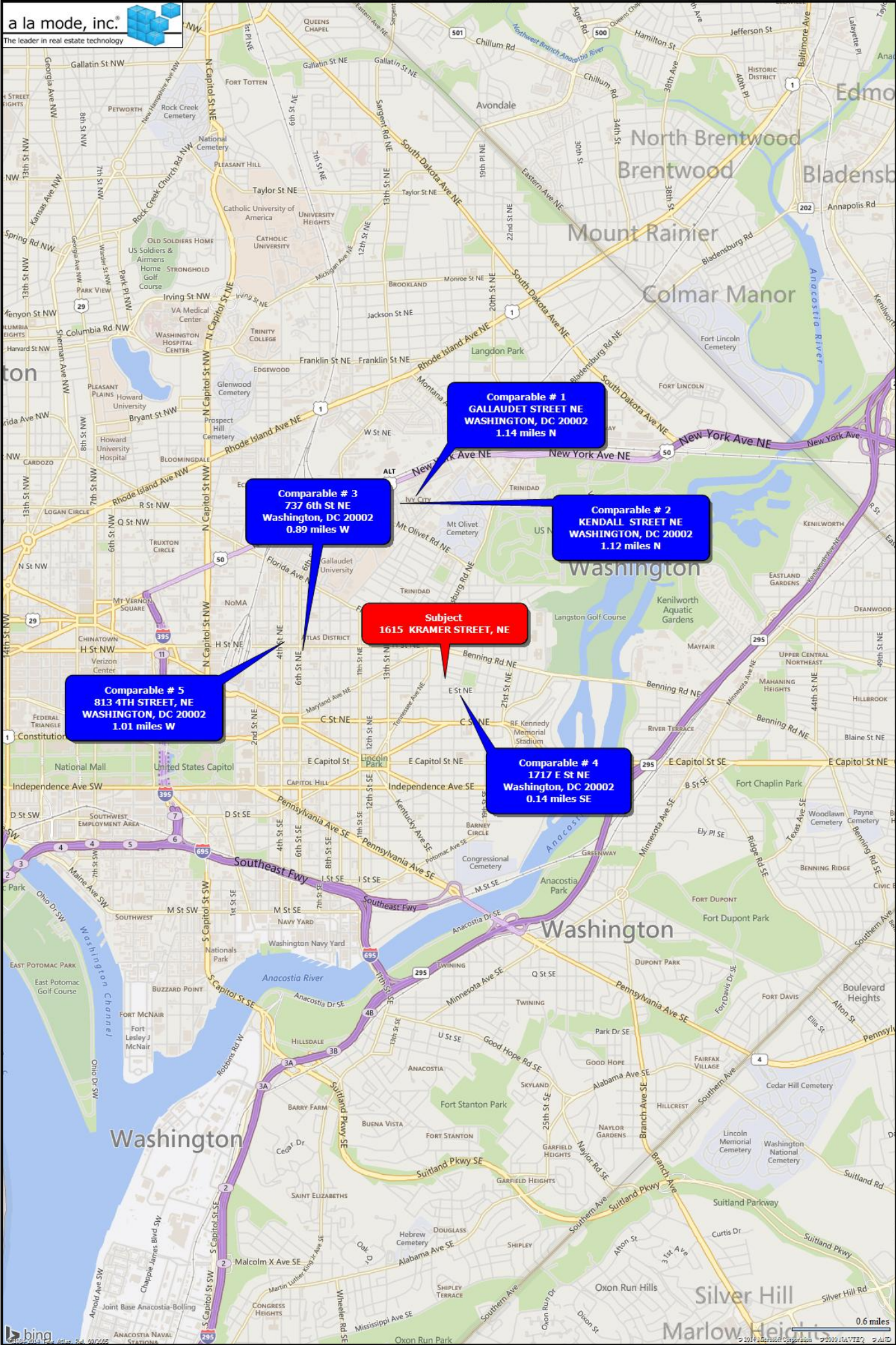
Comparable 5

813 4TH STREET, NE
Prox. to Subject 1.01 miles W
Sales Price 168,000
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location OLD CITY #1 SUPERIOR
View RESIDENTIAL/RETIAL
Site
Quality
Age

present-day construction

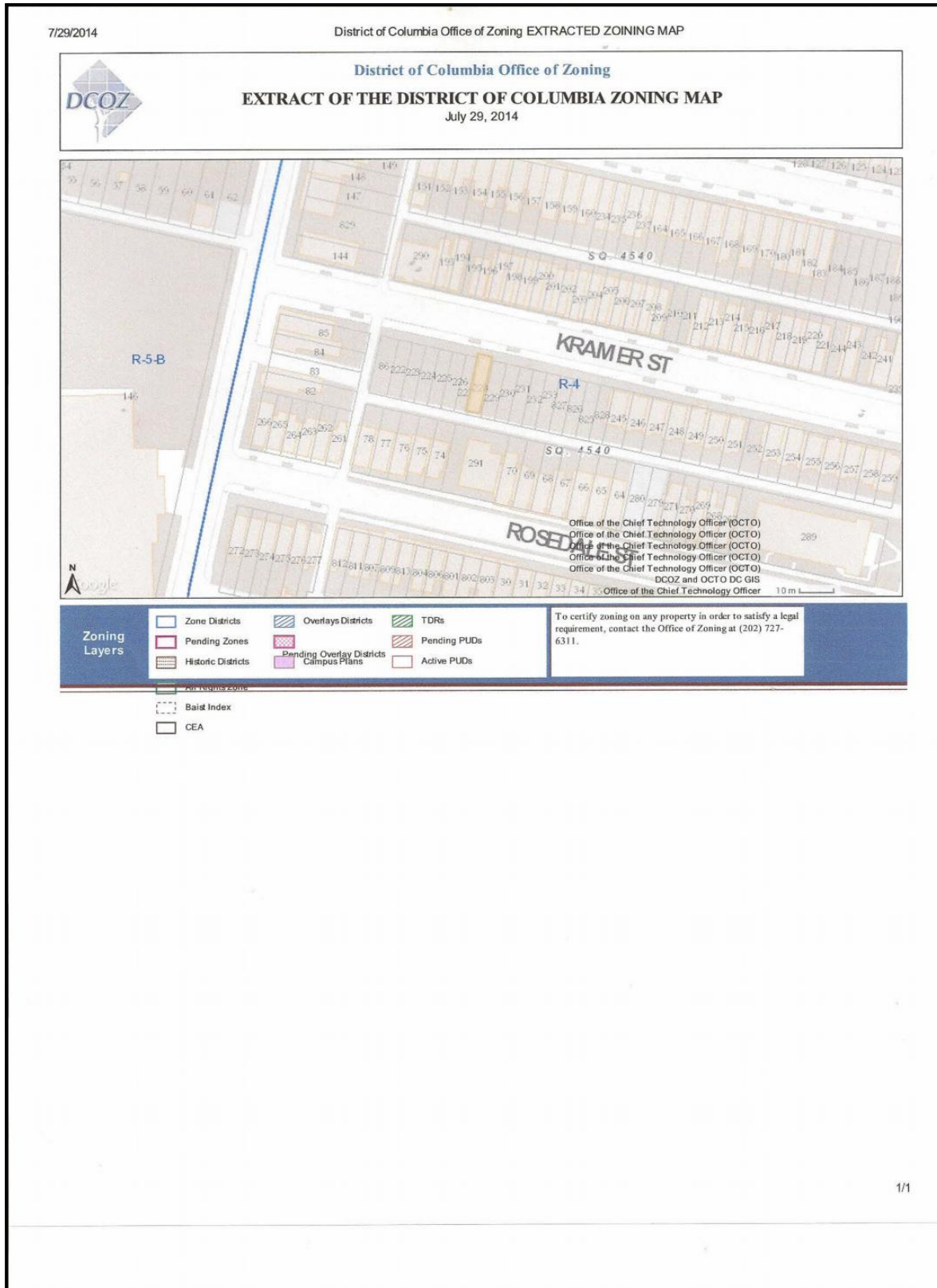
Location Map

Borrower/Client	THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT				
Property Address	1615 KRAMER STREET, NE				
City	WASHINGTON	County	N/A	State	DC
Lender	DC GOVT - HOME INITIATIVE PROGRAM				
				Zip Code	20002



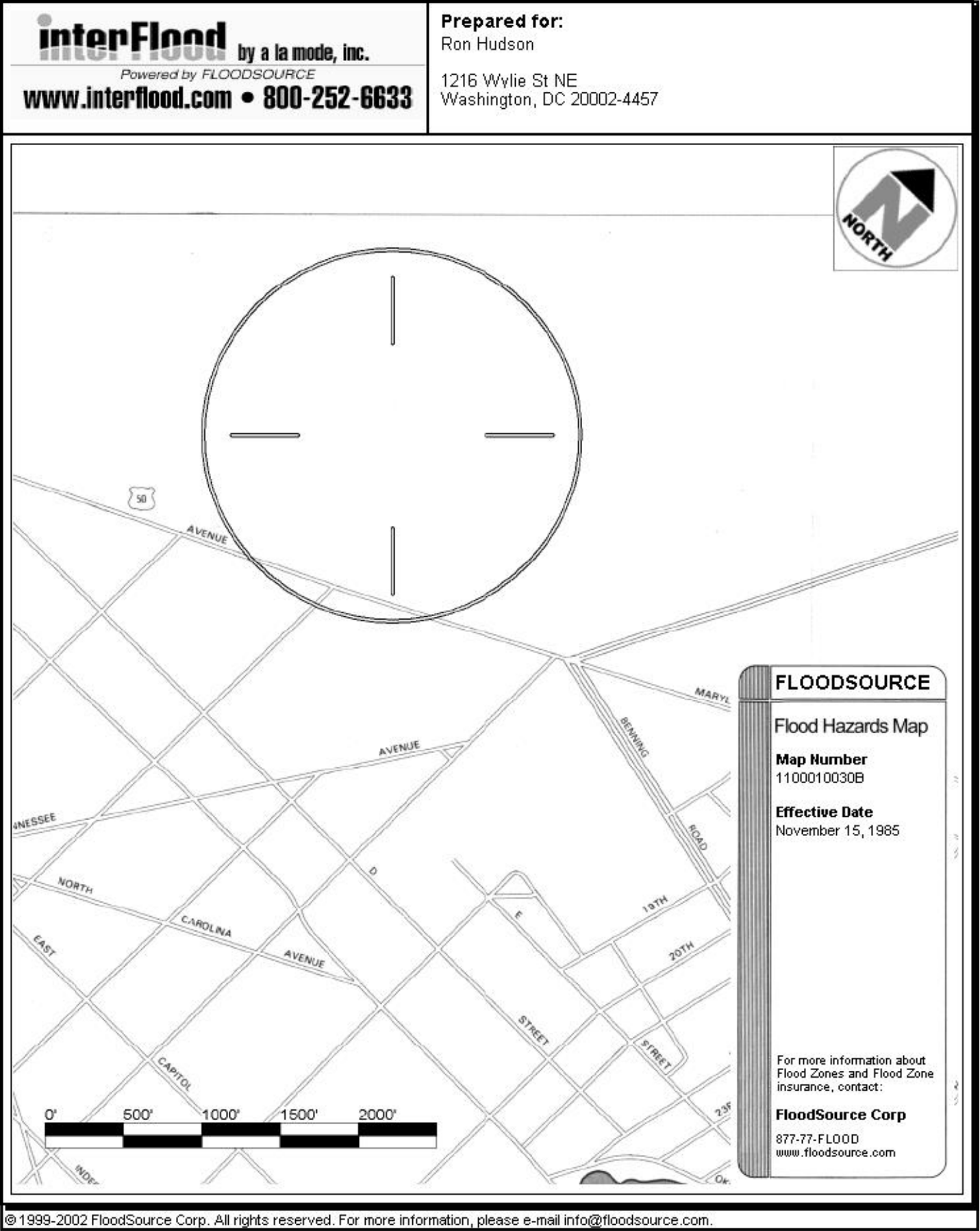
Zoning Map

Borrower/Client	THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT			
Property Address	1615 KRAMER STREET, NE			
City	WASHINGTON	County	N/A	State DC Zip Code 20002
Lender	DC GOVT - HOME INITIATIVE PROGRAM			



Flood Map

Borrower/Client	THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT			
Property Address	1615 KRAMER STREET, NE			
City	WASHINGTON	County	N/A	State DC Zip Code 20002
Lender	DC GOVT - HOME INITIATIVE PROGRAM			



Supplemental Addendum

File No. 122-14

Borrower/Client	THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT					
Property Address	1615 KRAMER STREET, NE					
City	WASHINGTON	County	N/A	State	DC	Zip Code 20002
Lender	DC GOVT - HOME INITIATIVE PROGRAM					

SUBJECT NEIGHBORHOOD IS OFF 17TH STREET, A MAJOR TRANSPORTATION ARTERY WHICH IS THREE BLOCKS SOUTH OF "BENNING ROAD" WHICH LEADS TO DOWNTOWN WASHINGTON, DC . MANY RESIDENTS COMMUTE TO THE WASHINGTON METROPOLITAN DOWNTOWN AREA ON A DAILY BASIS, SCHOOL ARE ADEQUATE AND BUSING IS NOT REQUIRED, SHOPPING IS LOCAL , WITH MO/ PO RETAIL STORES & RESTAURANTS LOCATED WITHIN WALKING DISTANCE. AS THE NEAREST TOWN CENTER FOR SEROUS SHOPPER WOULD BE " H " STREET. TRANSPORTATION IS GOOD WITH A ADEQUATE BUSING SYSTEM,THE NEW TROLLEY CAR SYSTEM- AVAILABLE AT SCHEDULED TIME. WITH UNION STATION IN CLOSE PROXIMITY. SUBJECT SITE IS ZONE R4, ZONING REGULATION FOR R4 SITES, WIDTH OF 18 FT, AREA OF 1,800 SF- 60% OF LOT OCCUPANCY, HEIGHT STORIES 3 FEET 40. THE HIGHEST AND BEST USE FOR SUBJECT IS TO CONSTRUCTION OF 3 THREE STORIES TOWN HOUSE WITH A VARIANCE FOR THE NONCONFORMING SIZE AND FRONTAGE.

• URAR :

THIS ADDENDUM IS DESIGNED AS AN ADJUNCT TO THE FNMA FORM 1004 FOR THE REPORTING OF COMMENTS MOST TYPICALLY REQUIRED BY LENDERS TO CLARIFY ASPECTS OF THE APPRAISAL PROCESS. AN "X" IN THE BOX NEXT TO A PARTICULAR PHRASE INDICATES THAT THIS APPLIES TO THE INDIVIDUAL APPRAISAL BEING PERFORMED. PHRASES NOT CHECKED DO NOT APPLY TO THIS INDIVIDUAL APPRAISAL.

(X) NO CONSIDERATION GIVEN FOR ANY POINTS, CLOSING COSTS, OR CONCESSIONS GIVEN PURCHASER BY SELLER. POINTS AND/OR CLOSING COSTS PAID BY SELLER ARE COMMON FOR ALL TYPES OF FINANCING IN THIS AREA. NO ADJUSTMENTS FOR FINANCING BECAUSE NO DIMINUTION OF VALUE DISCOVERED IN MARKETPLACE.

(X) EVERY EFFORT HAS BEEN MADE TO USE COMPARABLES THAT HAVE SOLD WITHIN SIX MONTHS OF THE DATE OF THE APPRAISAL. OUR DATA BANK INCLUDES 1 MLS COMPUTER TERMINAL, LUSK REPORTS, APPRAISAL FILES, ETC. AN EXAMPLE OF THIS IS SALE # 2, 3, 4 & 5.*

(X) MANY COMPARABLES WERE CONSIDERED AND RELIED UPON BY THE APPRAISER IN THE CONCLUSIONS DRAWN THEREFROM, THE THREE EXHIBITED WERE CONSIDERED THE MOST INDICATIVE AND RELIABLE AVAILABLE SALES. WE DO NOT RECITE SALES OVER 1 YEAR OLD EXCEPT IN EXTREME CASES AND AFTER DISCLOSURE OF COMPELLING REASON. HOWEVER, LIMITING SALES TO WITHIN 6 MOS. OF APPRAISAL DATE CREATES ARTIFICIAL RESTRAINTS NOT FOUND IN THE OPEN MARKETPLACE. THIS APPRAISER WILL NOT PASS OVER THE BEST POSSIBLE COMPARABLE SALE IN ORDER TO USE ONE THAT IS LESS COMPARABLE, THOUGH OF A MORE CURRENT DATE.

(X) IT IS NOTED THAT NET ADJUSTMENT FOR COMPARABLE SALE(s) NO. 1, 2, 3, 4 & 5 (s) EXCEED(s) 15% . THIS ADJUSTMENT IS LARGER THAN NORMAL BUT THE SALES CHOSEN ARE CONSIDERED THE BEST AVAILABLE. OTHER SALES ANALYZED WOULD HAVE REQUIRED LESS DESIRABLE ADJUSTMENTS AND WERE NOT USED FOR THAT REASON.

(X) "DATE OF SALE" USED IN THE MARKET DATE SECTION IS THE SETTLEMENT/CLOSING DATE UNLESS OTHERWISE NOTED.

(X) SITE IMPROVEMENTS: WITH THE EXCEPTION OF THE STREET, IT IS THE APPRAISER'S EXPERIENCE THAT NEITHER THE PRESENCE NOR LACK OF SITE IMPROVEMENTS HAS ANY EFFECT ON VALUE OR MARKETABILITY.

(X) NO ITEM THAT HAS ANY NEGATIVE EFFECT ON VALUE WAS NOT DISCLOSED ON THE FORM

(X) AS A RESULT OF THE CURRENT FHLBB MEMORANDUM R-41, YOUR APPRAISER HAS NOTED IN THE APPRAISAL REPORT CERTAIN CHATTELS WHICH ARE CONSIDERED NON-REALTY ITEMS. THE CONVEYANCE AND INCLUSION OF THESE ITEMS IS TYPICAL OF TRANSACTIONS IN THIS MARKETPLACE.

(X) THE APPRAISER HAS REVIEWED THE FFLBB MEMORANDUM R-41C, ANND IS THE OPINION THAT THE APPRAISAL OF THE SUBJECT PROPERTY CONFORMS TO THE BANK BOARD MEMORANDUM.

(X) THE INCOME APPROACH WAS DEEMED INAPPROPRIATE AND THEREFORE, WAS NOT CONSIDERED FOR THIS TYPE OF PROPERTY.

() COMPARABLE SALES ARE LOCATED IN THE SUBJECT SUBDIVISION, BUT SALES OUTSIDE THE SUBDIVISION ARE NOT CONSIDERED APPROPRIATE AND THE SALES CHOSEN ARE THE BEST AVAILABLE.

A THOROUGH SEARCH FOR COMPARABLE SALES WAS MADE IN AN ATTEMPT TO FIND SALES WHICH BRACKET THE FINAL VALUE ESTIMATED FOR THE SUBJECT PROPERTY. AFTER CONSIDERATION OF LOCATIONS, DATES OF SALE AND PHYSICAL DIFFERENCES IN THE APPRAISER'S JUDGEMENT, THE COMPARABLES USED ARE THE BEST INDICATOR OF THE SUBJECT'S VALUE.

THE FLOOD MAP HAS A DIFFERENT ADDRESS VIS SUBJECT, HOWEVER IT COVERS THE SUBJECT PROPERTY AREA.

URAR :

PURPOSE & SYNOPSIS

Since not every subject property can be compared to "ideal" comparable sales, the appraiser has chosen the best sales available from the market search which meet investor underwriting standards and guidelines. Every effort to has been made to conform to FNMA and FHLMC underwriting guidelines and in most bases, to an even stricter interpretation found common to most investors in the secondary market.

The comments in this addendum are intended to expand on what the appraiser feels are areas of most concern to mortgage investor and/or the owner(s) of the appraised property in underwriting an appraisal report. The expanded comments allow the appraiser to provide additional comments where sufficient space is not available on the appraisal form. The market has been thoroughly searched and the sales reported herein are in the appraiser's opinion, the bestsales available that properly weigh the four (4) major elements of comparison. The four (4) major elements of comparison are (1) Location, (2) condition of Sale; (3) Time of Sale; and (4) Physical Characteristics of the subject and the Comparables.

SCOPE OF THE APPRAISAL

Supplemental Addendum

File No. 122-14

Borrower/Client	THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT					
Property Address	1615 KRAMER STREET, NE					
City	WASHINGTON	County	N/A	State	DC	Zip Code 20002
Lender	DC GOVT - HOME INITIATIVE PROGRAM					

In order to estimate the subject SITE market value, as of the date of the appraisal, a systematic procedure has been followed to reach a logical final value conclusion. Every effort has been made to conform to the code of ethics of the Appraisal Institute. The National Association of Real Estate Appraisers, FHLMC underwriting guidelines and additional requirements of investors in the secondary market. Of the three (3) approaches to value, the sales comparison approach and the cost approach are relied upon most to estimate the subject's market value.

Upon receiving the appraisal order, county assessor's records are researched to obtain basic property information such as the last sale date and price, lot size, zoning assessments, utilities present, real estate taxes,census tracts and other pertinent data as required in the appraisal report. Then the local multiple listing service is consulted to research the subject property. If available, recent sales, contract sales and current available listings in the subject's subdivision and immediate market area that are most similar to the subject property are obtained. An appointment is then set up to inspect the exterior or interior of subject property. The appraiser the n visually insects the exterior of the comparables selected that are most similar to the subject property.

The comparables selected for use in the report are, in the opinion of the appraiser, the best available after investigation of the sales activity in the subject's market area. Adjustments in the sales comparison approach are estimated based on market extraction and/or reaction of a particular item, its effects on value and are not based on cost figures. Negative (-) adjustments in the sales comparison approach reflect items that are superior to those found in the subject property. Positive (+) adjustments reflect items inferior to those found in the subject property. Comparable sales data are adjusted to the subject property, with the subject property as standard in terms of which of the comparable sale properties are evaluated and adjusted. The adjusted sales prices are reconciled to a final indication of the market via the direct sales comparison approach.

Upon completion of the sales comparison analysis, the appraiser develops the Cost Approach NOT APPLICABLE, using the Marshall & Swift Cost Handbook, local builder cost and estimate guides, and other pertinent residential cost information to arrive at the reproduction cost new of the subject property. Depreciation is estimated by the appraiser which takes into consideration the effective age of the subject property and its remaining economic life and any functional or external obsolescence extracted via matched pair analyses. Any depreciation is subtracted from the estimated reproduction cost new of the subject property. To this depreciated cost, the value of the site, as if vacant and available to be put to its highest and best use, is added to obtain a value via the Cost Approach.

If enough information is available, the Income Approach is developed NOT APPLICABLE using gross rent multiplier analysis (GRM). GRM analysis requires a substantial quantity of reliable, verified data on market sales or comparable properties that were rented at the time of the sale to estimate the market rent. Typically, in this market there is insufficient available information on single family properties to estimate the value by the Income Approach.

After analysis of the ONE (1) approaches to value, The direct sales comparison approach, the appraiser logically reconciles all the approaches to value ot arrive at a final estimate of property value (market value) as of the valuation date. It should be the best, most probable figure obtainable under current market circumstances. The final value estimate is rounded appropriately to emphasize the fact that it is an estimate.