

Small Residential Income Property Appraisal Report

ABC123
File # CONV_1025_DEMO

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	9128 Main Ave	City	Anytown	State	IL	Zip Code	600XX
Borrower	Buynit, Ima	Owner of Public Record	Sellers, Homer	County	Cook		
Legal Description	Lot X in Colby & Michaelson subdivision of Lot X in County Clerks Division						
Assessor's Parcel #	10-16-403-XXX-0000	Tax Year	201X	R.E. Taxes	\$ 7,903		
Neighborhood Name	In-town	Map Reference	16974	Census Tract	8070.00		
Occupant	<input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant	Special Assessments	\$ N/A	<input type="checkbox"/> PUD	HOA \$ 0	<input type="checkbox"/> per year	<input type="checkbox"/> per month
Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)						
Assignment Type	<input checked="" type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)						
Lender/Client	XYZ Financial Inc. Address 123 Main Street, Anywhere, IL 605XX						
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
Report data source(s) used, offering price(s), and date(s). MRED MLS #0887401X. Subject was listed for \$275,000 through the local multiple listing service on 03/27/1X and sold on 03/27/1X for 98% of list price after a marketing time of 1 day.							

I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. The purchase agreement appears to be market driven with no positive or negative terms other than those typical in the marketplace.							
No seller concessions were involved.							
Contract Price	\$ 270,000	Date of Contract	03/27/201X	Is the property seller the owner of public record?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s)	Public records
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
If Yes, report the total dollar amount and describe the items to be paid.							

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics			2-4 Unit Housing Trends			2-4 Unit Housing		Present Land Use %	
Location	<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	80 %		
Built-Up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	5 %		
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	200	Low	40	Multi-Family	5 %	
Neighborhood Boundaries	Neighborhood is comprised of mixed use zoning. Boundaries are roughly Old Orchard Rd north, McCormick Blvd east, Jarvis Ave south, I-94 west. Other land use=industrial.			490	High	80	Commercial	5 %	
Neighborhood Description	Subject is located in a mixed residential use neighborhood comprised of attached and detached semi-custom built homes of average to good construction. Most all the homes project average to good buyer appeal. Proximity to services and conveniences, as well as the marketability of the properties, is average for the area.								

Market Conditions (including support for the above conclusions) See attached addenda.

Dimensions	40 x 120	Area	4,800 sf	Shape	Rectangular	View	Residential
Specific Zoning Classification	R4	Zoning Description	Multifamily Housing				
Zoning Compliance	<input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)						
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe							

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/>	Alley None	<input type="checkbox"/>	<input type="checkbox"/>
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone	X	FEMA Map #	17031C0242J	FEMA Map Date	8/19/2008
Are the utilities and/or off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe							
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe							

General Description		Foundation		Exterior Description		materials/condition		Interior		materials/condition	
Units	<input checked="" type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Four	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space		Foundation Walls	Concrete/Average		Floors	Hardwood/Good			
<input type="checkbox"/> Accessory Unit (describe below)		<input checked="" type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement		Exterior Walls	Brick/Average		Walls	Drywall/Average			
# of Stories	2 # of bldgs. 1	Basement Area	1,391 sq.ft.	Roof Surface	Built-up/Average		Trim/Finish	Painted/Average			
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Finish	75 %	Gutters & Downspouts	Aluminum/Average		Bath Floor	Ceramic Tile/New			
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.		<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump		Window Type	Vinyl Clad/Good		Bath Wainscot	Ceramic Tile/New			
Design (Style)	2 Flat	Evidence of <input type="checkbox"/> Infestation		Storm Sash/Insulated	Vinyl/Good		Car Storage				
Year Built	1957	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement		Screens	Fiberglass/Good				<input type="checkbox"/> None		
Effective Age (Yrs)	30	Heating/Cooling		Amenities		<input checked="" type="checkbox"/> Driveway	# of Cars	4			
Attic	<input checked="" type="checkbox"/> None	<input type="checkbox"/> FWA <input checked="" type="checkbox"/> HWBB <input type="checkbox"/> Radiant		<input type="checkbox"/> Fireplace(s) # 0 <input type="checkbox"/> Woodstove(s) # 0		Driveway Surface	Concrete				
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs		<input type="checkbox"/> Other Fuel Gas		<input type="checkbox"/> Patio/Deck None <input checked="" type="checkbox"/> Fence Wood		<input type="checkbox"/> Garage	# of Cars	0			
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle		Cooling <input checked="" type="checkbox"/> Central Air Conditioning		<input type="checkbox"/> Pool None <input type="checkbox"/> Porch None		<input type="checkbox"/> Carport	# of Cars	0			
<input type="checkbox"/> Finished <input type="checkbox"/> Heated		<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Other Sleeve		<input type="checkbox"/> Other None		<input type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in					
# of Appliances	Refrigerator	Range/Oven	Dishwasher	Disposal	Microwave	Washer/Dryer	Other (describe)				
Unit # 1 contains:	6 Rooms	3 Bedrooms	1.1 Bath(s)	1,391	Square Feet of Gross Living Area						
Unit # 2 contains:	6 Rooms	3 Bedrooms	1.1 Bath(s)	1,391	Square Feet of Gross Living Area						
Unit # 3 contains:	Rooms	Bedrooms	Bath(s)	Square Feet of Gross Living Area							
Unit # 4 contains:	Rooms	Bedrooms	Bath(s)	Square Feet of Gross Living Area							

Additional features (special energy efficient items, etc.). Newer energy efficient replacement windows throughout. Each unit has an updated kitchen with maple cabinets, laminate counter tops and tiled backsplash. Updated full baths have newer tile floor and wainscot, vanities, tops and fixtures. Interior has refinished hardwood floors and fresh paint throughout. Finished basement with 1.0 bath.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). Subject property is of average quality construction and is presently in average condition. Style, design and size of the improvement is considered typical for the area and conforms well to the neighborhood. Value of the improvements is considered to be comparable to other similar properties in the market area. Although the subject backs to light industrial, it does not appear to have a negative impact on the marketability or salability of the property.

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IMPROVEMENTS

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe.

Is the property subject to rent control? Yes No If Yes, describe

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.

FEATURE	SUBJECT	COMPARABLE RENTAL # 1			COMPARABLE RENTAL # 2			COMPARABLE RENTAL # 3											
Address	9128 Main Ave Anytown, IL 600XX	4142 Oakton St Anytown, IL 600XX			9035 La Crosse Ave Anytown, IL 600XX			9137 Lawler Ave Anytown, IL 600XX											
Proximity to Subject		1.79 miles SE			0.30 miles SE			0.04 miles NE											
Current Monthly Rent	\$	\$ 2,490			\$ 2,500			\$ 2,350											
Rent/Gross Bldg. Area	\$ sq.ft.	\$ 0.99 sq.ft.			\$ 1.02 sq.ft.			\$ 0.75 sq.ft.											
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
Data Source(s)	Inspection	MRED MLS #0868556X			MRED MLS #0880870X			MRED MLS #0858121X											
Date of Lease(s)	Vacant	Month to month & 05/1X			Month to month & 07/1X			Month to month											
Location	Residential	Residential			Residential			Residential											
Actual Age	58	56			57			58											
Condition	Average	Average			Average			Average											
Gross Building Area	2,782	2,519			2,444			3,130											
Unit Breakdown	Rm Count			Size Sq. Ft.			Monthly Rent			Rm Count			Size Sq. Ft.			Monthly Rent			
	Tot	Br	Ba	2,782	Tot	Br	Ba	2,519	2,490	Tot	Br	Ba	2,444	2,500	Tot	Br	Ba	3,130	2,350
Unit # 1	6	3	1.1	1,391	6	3	1.0	1,259	\$ 1,200	6	3	1.0	1,222	\$ 1,300	6	3	1.1	1,565	\$ 1,250
Unit # 2	6	3	1.1	1,391	6	3	1.0	1,260	\$ 1,290	6	3	1.0	1,222	\$ 1,200	6	3	1.1	1,565	\$ 1,100
Unit # 3									\$					\$					\$
Unit # 4									\$					\$					\$
Utilities Included	None	None			None			None											

Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.) All comps are recent rentals located in the same market area as the subject. All comps are similar in age and condition to the subject property. All are 3 bedroom units. Rentals #1 & 2 are smaller units while #3, which is located on the same street as the subject, has larger units with similar bath utility.

Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

Unit #	Leases		Actual Rents			Opinion of Market Rent			
	Begin Date	End Date	Unfurnished	Furnished	Total Rents	Unfurnished	Furnished	Total Rents	
1	Vacant		\$	\$ 0	\$ 0	\$ 1,250	\$ 0	\$ 1,250	
2	Vacant			0		1,250	0	1,250	
3									
4									
Comment on lease data			Total Actual Monthly Rent			\$	Total Gross Monthly Rent		\$ 2,500
			Other Monthly Income (itemize)			\$	Other Monthly Income (itemize)		\$
			Total Actual Monthly Income			\$	Total Estimated Monthly Income		\$ 2,500

Utilities included in estimated rents Electric Water Sewer Gas Oil Trash collection Cable Other

Comments on actual or estimated rents and other monthly income (including personal property) Subject is currently vacant. Estimated rents for the subject is based on the predominant monthly rent suggested by the above comparable rental data.

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) MRED MLS #0887401X

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) MRED MLS/Public records

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer	03/03/201X			
Price of Prior Sale/Transfer				
Data Source(s)	MRED MLS #0887401X	MRED MLS #0868998X	MRED MLS #0858121X	MRED MLS #0871030X
Effective Date of Data Source(s)	04/04/201X	04/04/201X	04/04/201X	04/04/201X

Analysis of prior sale or transfer history of the subject property and comparable sales Subject property had a prior sale/transfer within the past three years when the lender foreclosed for an undisclosed amount. There is no sales history or transfers of the comparables used within one year prior to the date of sale of the comparable.

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There are 11 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 275,000 to \$ 740,000
 There are 16 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 249,900 to \$ 490,000

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Address	9128 Main Ave Anytown, IL 600XX	9129 Lawler Ave Anytown, IL 600XX			9137 Lawler Ave Anytown, IL 600XX			9037 Skokie Blvd Anytown, IL 600XX		
Proximity to Subject		0.04 miles E			0.04 miles NE			0.35 miles SE		
Sale Price	\$ 270,000	\$ 280,000			\$ 305,000			\$ 300,000		
Sale Price/Gross Bldg. Area	\$ 97.05 sq.ft.	\$ 100.47 sq.ft.			\$ 97.44 sq.ft.			\$ 115.03 sq.ft.		
Gross Monthly Rent	\$ 2,500	\$ 2,350			\$ 2,350			\$ 2,200		
Gross Rent Multiplier	108.00	119.15			129.79			136.36		
Price per Unit	\$ 135,000	\$ 140,000			\$ 152,500			\$ 150,000		
Price per Room	\$ 22,500	\$ 23,333			\$ 25,417			\$ 27,273		
Price per Bedroom	\$ 45,000	\$ 46,667			\$ 50,833			\$ 50,000		
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Data Source(s)		MRED #0868998X; DOM: 82			MRED #0858121X; DOM: 200			MRED #0871030X; DOM: 71		
Verification Source(s)		Cook County Assessor			Cook County Assessor			Cook County Assessor		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) Adjustment		DESCRIPTION	+(-) Adjustment		DESCRIPTION	+(-) Adjustment	
Sale or Financing		Conventional			FHA			Conventional		
Concessions		None reported			None reported			None reported		
Date of Sale/Time		c: 10/1X; s: 11/1X			c: 10/1X; s: 11/1X			c: 11/1X; s: 02/1X		
Location	Residential	Residential			Residential			Residential		
Leasehold/Fee Simple	Fee Simple	Fee Simple			Fee Simple			Fee Simple		
Site	4,800 sf	4,800 sf			4,800 sf			4,600 sf		
View	Residential	Residential			Residential			Residential		
Design (Style)	2 Flat	2 Flat			2 Flat			2 Flat		
Quality of Construction	Brick	Brick			Brick			Brick		
Actual Age	58	58			58			59		
Condition	Average	Average			Average			Average		
Gross Building Area	2,782	2,787			3,130			2,608		
Unit Breakdown	Total Bdrms Baths	Total Bdrms Baths			Total Bdrms Baths			Total Bdrms Baths		
Unit # 1	6 3 1.1	6 3 1.1			6 3 1.1			5 3 1.0		
Unit # 2	6 3 1.1	6 3 1.1			6 3 1.1			6 3 1.0		
Unit # 3										
Unit # 4										
Basement Description	1,391 Sq.Ft.	Full			Full			Full		
Basement Finished Rooms	Finished/1.0 Bath	Finished/1.0 Bath			Finished/1.0 Bath			Finished/1.0 Bath		
Functional Utility	Average	Average			Average			Average		
Heating/Cooling	GHW/CAC	GHW/None			GHW/None			GFWA/CAC		
Energy Efficient Items	Newer Windows	Newer Windows			Newer Windows			None		
Parking On/Off Site	Outdoor Parking	Outdoor Parking			Outdoor Parking			2 Car Garage		
Porch/Patio/Deck	Fence	Enclosed Porches			Enclosed Porches			Enclosed Porches		
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -8,000			<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -20,180			<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -5,910		
Adjusted Sale Price of Comparables		Net Adj. 2.9 % Gross Adj. 4.3 % \$ 272,000			Net Adj. 6.6 % Gross Adj. 7.9 % \$ 284,820			Net Adj. 2.0 % Gross Adj. 11.4 % \$ 294,090		
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)	\$ 136,000	\$ 142,410			\$ 147,045					
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)	\$ 22,667	\$ 23,735			\$ 26,735					
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)	\$ 45,333	\$ 47,470			\$ 49,015					
Value per Unit	\$ 150,000 X 2 Units = \$ 300,000	Value per GBA \$ 110 X 2,782 GBA = \$ 306,020			Value per Bdrms \$ 50,000 X 6 Bdrms = \$ 300,000					
Value per Rm.	\$ 25,000 X 12 Rooms = \$ 300,000									

Summary of Sales Comparison Approach including reconciliation of the above indicators of value. See attached addenda.

Indicated Value by Sales Comparison Approach \$ 290,000

Total gross monthly rent \$ 2,500 X gross rent multiplier (GRM) 120 = \$ 300,000 Indicated value by the Income Approach
 Comments on income approach including reconciliation of the GRM All comparables are very similar in utility, and all were used to abstract an estimated gross rent multiplier. Units that were vacant or owner occupied were estimated using data from the rental analysis.

Indicated Value by: Sales Comparison Approach \$ 290,000 Income Approach \$ 300,000 Cost Approach (if developed) \$
 There is sufficient data to develop an indication of value by the sales comparison approach with support from the income approach. Due to the age of the subject's improvement, development of the cost approach was found to be inapplicable for this assignment and was not used in this report.

This appraisal is made "as is", subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 290,000, as of 04/04/201X, which is the date of inspection and the effective date of this appraisal.

SALES COMPARISON APPROACH

INCOME

RECONCILIATION

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Some information regarding characteristics for the comparables are not readily available in the normal course of business. Some examples would include: site area, GLA (such as for older properties or condominiums), basement area, the area of basement finish or room count. In these cases, estimates are provided by the appraiser from information obtained through the local MLS or on the basis of experience.

See attached addendum for additional certifications and other conditions.

ADDITIONAL COMMENTS

Empty space for additional comments.

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) Due to the lack of available vacant land sales, the land allocation method was used to estimate the site value.

COST APPROACH

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$	80,000
Source of cost data	DWELLING	Sq.Ft. @ \$ = \$
Quality rating from cost service	Basement	Sq.Ft. @ \$ = \$
Effective date of cost data	Garage/Carport	Sq.Ft. @ \$ = \$
Comments on Cost Approach (gross building area calculations, depreciation, etc.)	Total Estimate of Cost-New	 = \$
	Less Physical	Functional	External
	Depreciation		= \$()
	Depreciated Cost of Improvements		= \$
	"As-is" Value of Site Improvements		= \$
Estimated Remaining Economic Life (HUD and VA only) 40 Years	INDICATED VALUE BY COST APPROACH		= \$

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project

Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data source(s)

Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion.

Does the project contain any multi-dwelling units? Yes No Data Source

Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

PUD INFORMATION

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This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements, including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Small Residential Income Property Appraisal Report

ABC123
File # CONV_1025_DEMO

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Small Residential Income Property Appraisal Report

 ABC123
 File # CONV_1025_DEMO

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.

4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature _____
 Name Paul J. Piekos IL Certified Residential Appraiser
 Company Name Piekos Appraisals
 Company Address 1533 N Vest Dr, Naperville, IL 60563-9381
 Telephone Number (630) 357-4647
 Email Address paul@piekos.com
 Date of Signature and Report 04/10/201X
 Effective Date of Appraisal 04/04/201X
 State Certification # 556.000117
 or State License # _____
 or Other (describe) _____ State # _____
 State IL
 Expiration Date of Certification or License 09/30/20XX

ADDRESS OF PROPERTY APPRAISED

9128 Main Ave
Anytown, IL 600XX

APPRAISED VALUE OF SUBJECT PROPERTY \$ 290,000

LENDER/CLIENT

Name No AMC
 Company Name XYZ Financial Inc.
 Company Address 123 Main Street, Anywhere, IL 605XX
 Email Address N/A

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY

Did not inspect subject property
 Did inspect exterior of subject property from street
 Date of Inspection _____
 Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection _____

Additional Addendum

File No. CONV 1025 DEMO

Borrower	Buynit, Ima						
Property Address	9128 Main Ave						
City	Anytown	County	Cook	State	IL	Zip Code	600XX
Lender	XYZ Financial Inc.						

ADDITIONAL CERTIFICATIONS AND OTHER CONDITIONS

The Intended User of this appraisal report is the Lender/Client. The Intended Use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.

The current use of the subject property existing as of the date of value is residential, which is the same as the appraiser's opinion of the highest and best use of the real estate being appraised.

Any furnishings or personal property items were not considered in the valuation of the real property.

The State of Illinois Residential Property Disclosure Act (Public Act 88-111) obligates the seller of the subject property to provide a disclosure report before or at the time of written agreement to the prospective buyer of actual or known material defects of the property that would have a substantial adverse effect on value or significantly impair the health or safety of future occupants unless the seller reasonably believes that the condition has been corrected. The appraiser is not obligated to receive a disclosure report from any of the interested parties in this transaction. Therefore, the appraiser will not be responsible for any defects, admitted or concealed on the disclosure report and will assume no liability for any adverse conditions that they may create.

The federal government has enacted legislation, referred to as "Megan's Law," that encourages states to disclose to the public the whereabouts of convicted child molesters within the community. These individuals may be transient and therefore the situation may change periodically. While the appraiser has no knowledge of any offenders residing nearby the subject property, the scope of this assignment did not include any investigation in this matter. The client is advised to consult with local law enforcement officials about this issue. The appraiser assumes no responsibility for any issues related to Megan's Law.

There are a wide variety of detrimental conditions that can impact property values. These include, but are not limited to: non-market motivations, future temporary disruptions, stigmas, convicted criminals who reside in the neighborhood, neighborhood nuisances, future unannounced surrounding developments, structural and engineering conditions, construction conditions, soils and geotechnical issues, environmental conditions and natural conditions. The appraiser has inspected the subject on a level that is consistent with the typical responsibilities of the appraisal profession; however, the appraiser does not have the expertise of market analysts, soils, structural or environmental engineers, scientists, urban planners and specialists in these various fields. Unless otherwise stated within the report, the appraiser assumes no responsibilities for the impact that the variety of detrimental conditions may cause.

Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, mold and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field if desired.

SCOPE OF WORK

The scope of work consists of a visit by the appraiser to view the interior and exterior to catalog the salient attributes of the subject property.

The appraiser will investigate appropriate market data for utilization in a sales comparison approach to value, and if appropriate, cost and income capitalization approaches. Appraiser's investigations will include research of public records through the use of commercial sources of data such as printed comparable data services, computerized databases, etc. Search parameters such as dates of sales, leases, locations, sizes, types of properties and distances from the subject will start with relatively narrow constraints and, if necessary, be expanded until the appraiser has either retrieved data sufficient (in the appraiser's opinion) to estimate market value, or until appraiser believes that the appraiser has reasonably exhausted the available pool of data. Researched sales data will be viewed and, if found to be appropriate, efforts will be made to verify the data with persons directly involved in the transactions such as buyers, seller, brokers or agents. At appraiser's discretion some data will be used without personal verification if, in the appraiser's opinion, the data appears to be correct. In addition, appraiser will consider any appropriate listings of properties found through observation during appraiser's data collection process. Appraiser will report only the data deemed to be pertinent to the valuation problem.

The appraiser will investigate and analyze any pertinent easements or restriction, on the fee simple ownership of the subject property. It is the client's responsibility to supply the appraiser with a title report. If a title report is not available, appraiser will rely on a visual observation and identify any readily apparent easements or restrictions.

The appraiser will analyze the data found and reach conclusions regarding the market value, as defined in the report, of the subject property as of the date of value using appropriate valuation approach(es) identified above.

The appraiser will complete the appraisal report in compliance with appraiser's interpretation of the Uniform Standards of Professional Appraisal Practice as promulgated by The Appraisal Foundation and the Code of Professional Ethics and Certification Standard of the Appraisal Institute.

The appraiser will not be responsible for ascertaining the existence of any toxic waste or other contamination present on or off the site. Appraiser will, however, report any indications of toxic waste or contaminants that may affect value if they are readily apparent during the appraiser's investigations. Appraiser cautions the user of the report that the appraiser is not an expert in such matters and that the appraiser may overlook contamination that may be readily apparent to others.

Additional Addendum

File No. CONV 1025 DEMO

Borrower	Buynit, Ima				
Property Address	9128 Main Ave				
City	Anytown	County	Cook	State	IL Zip Code 600XX
Lender	XYZ Financial Inc.				

Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the subject property that would make the subject property more or less valuable, and makes no guarantees or warranties, expressed or implied, regarding the condition of the subject property.

The appraiser will prepare a report which will include photographs (or digital images) of the subject property, descriptions of the subject neighborhood, the site, any improvements on the site, a description of the zoning, a highest and best use analysis, a summary of the most important sales used in the appraiser's valuation, a reconciliation and conclusion, a map illustrating the sales in relationship to the subject property, and other data deemed by the appraiser to be relevant to the report. Pertinent data and analyses not included in the report may be retained in the appraiser's files.

Initial Privacy Notice

Our privacy principles: We are committed to protecting our clients' personal and financial information. This privacy statement addresses what nonpublic personal information we collect, what we do with it, and how we protect it.

What information we collect: We may collect and maintain several types of personal information in the course of providing you with appraisal services, such as:

- Information we receive from you on applications, letters of engagement, forms found on our web site, correspondence, or conversations, including, but not limiting to, your name, address, phone number, social security number, date of birth, bank records and salary information.
- Information about your transactions with us, our affiliates or others, including, but not limiting to, payment history, parties to transactions and other financial information.
- Information we receive from a consumer-reporting agency such as a credit history.

What information we may disclose: We may disclose the nonpublic personal information about you described above, primarily to provide you with the appraisal services you seek from us. We do not disclose nonpublic personal information about clients or former clients except as required or permitted by law.

Who we share the information with: Unless you tell us not to, we may disclose nonpublic personal information about you to the following types of third parties:

- Financial service providers, such as banks and lending institutions.
- Non-financial companies.

(AS REQUIRED BY THE APPRAISAL INSTITUTE)

I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives.

As of the date of this report, I Paul J. Piekos have completed the requirements of the continuing education program of the Appraisal Institute.

Additional Addendum

File No. CONV 1025 DEMO

Borrower	Buynit, Ima				
Property Address	9128 Main Ave				
City	Anytown	County	Cook	State	IL Zip Code 600XX
Lender	XYZ Financial Inc.				

• **Small Income: Neighborhood Market Conditions**

According to the local MLS, 2-4 family values have increased 7% within the past twelve months, despite foreclosure activity that continues to exert downward pressure on prices and this will continue until the market clears of these distressed properties. Properties usually sell within 97% of the list price overall. An improving economy, increased consumer confidence and a decreasing unemployment rate in Illinois are all factors. The demand for housing in the subject neighborhood is consistent with the rest of nearby competing areas, with a historical marketing time of under 180 days. Currently there is a balance of competitive listings similar to the subject within the subject's marketplace. REO properties, foreclosures and short sales are present. Financing is readily available at current market rates. Financing can be either through the conventional process or through government-insured (FHA/VA) loans. Usually no seller concessions are necessary. Cash transactions are also prevalent.

• **Small Income: Sales Comparison - Summary**

Search parameters used for the pool of comparables and the 1004MC Form are as follows: all 2-4 units sold in the past 12 months within a 1 mile radius of the subject property. Comp #1 was used because it is a similar building to the subject and was also the lowest priced building in the past 6 months. It was an REO. Comp #2 was chosen to bracket (down) the GBA of the subject. Comp #3 was selected to bracket (up) the subjects' GBA and it also has central air. Comp #4 was included because it has comparable porch/patio/deck like the subject that required no adjustment. Comps #5 & 6 are active/pending listings that were included because they can indicate trends. Comp #5 was chosen in an effort to bracket the contract price of the subject, while Comp #6 was selected because it is located on the same street as the subject. All comps with the exception of #1 are all arms length sales/offers. The closed sales were adjusted for time at an annual rate of 7% (or 0.58% per month) from the date of sale. The active listing(s) and/or pending sale(s) were adjusted -3% for the typical list-to-sell (LTS) ratio. Difference in site area is not a factor of value. All comps except for #5 are all 3 bedroom units. No adjustment was made for bedroom count, but Comps #3-5 were adjusted for bathroom count. Comps #3-5 are smaller buildings, Comp #1 is similar in size and Comps #2 & 6 are larger. GLA was adjusted @ \$30 per sq.ft. over 100 sq.ft. difference. All have full basements; Comps #1-3 & 6 have similar finished basements to the subject; #4 & 5 lack the finished basement. Comps #1, 2 & 4 lack central air conditioning. Comps #3 & 4 lack the newer energy efficient replacement windows. Comps #3 & 4 have a garage. Comps #1-3 were adjusted for two story enclosed porches which the subject lacks. Comp #4-6 have comparable porch/patio/deck items like the subject that required no adjustment. After adjustments, most weight was given to Comps #1 & 2 which are located on the same street as the subject, with support from Comps #3 & 4 as well as active/pendings #5 & 6. The appraiser was unable to bracket the contract price of the subject. Although proximities for some comps may appear excessive, they were the best available. A location adjustment is not necessary.

USPAP Compliance Addendum

Loan # ABC123
File # CONV 1025 DEMO

Borrower	Buynit, Ima		
Property Address	9128 Main Ave		
City	Anytown	County Cook	State IL Zip Code 600XX
Lender	XYZ Financial Inc.		

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

- Appraisal Report This report was prepared in accordance with the requirements of the Appraisal Report option of USPAP Standards Rule 2-2(a).
- Restricted Appraisal Report This report was prepared in accordance with the requirements of the Restricted Appraisal Report option of USPAP Standards Rule 2-2(b). The intended user of this report is limited to the identified client. This is a Restricted Appraisal Report and the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without the additional information in the appraiser's workfile.

ADDITIONAL CERTIFICATIONS

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or specified) personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- This appraisal report was prepared in accordance with the requirements of Title XI of FIRREA and any implementing regulations.

PRIOR SERVICES

- I have NOT performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I HAVE performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

PROPERTY INSPECTION

- I have NOT made a personal inspection of the property that is the subject of this report.
- I HAVE made a personal inspection of the property that is the subject of this report.

APPRAISAL ASSISTANCE

Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If anyone did provide significant assistance, they are hereby identified along with a summary of the extent of the assistance provided in the report.

ADDITIONAL COMMENTS

Additional USPAP related issues requiring disclosure and/or any state mandated requirements: The comments by the licensed real estate appraiser contained within this appraisal report on the condition of the property do not address "standards of practice" as defined in the Home Inspector License Act [225 ILCS 441] and 68 Ill. Adm. Code 1410 and are not to be considered a home inspection or home inspection report.

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

- A reasonable marketing time for the subject property is _____ day(s) utilizing market conditions pertinent to the appraisal assignment.
- A reasonable exposure time for the subject property is 60-90 day(s).

APPRAISER

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name Paul J. Piekos IL Certified Residential Appraiser
 Date of Signature 04/10/201X
 State Certification # 556.000117
 or State License # _____
 State IL
 Expiration Date of Certification or License 09/30/20XX
 Effective Date of Appraisal 04/04/201X

Signature _____
 Name _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____
 Supervisory Appraiser Inspection of Subject Property
 Did Not Exterior-only from Street Interior and Exterior

Market Conditions Addendum to the Appraisal Report

ABC123
File No. CONV 1025 DEMO

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address 9128 Main Ave City Anytown State IL ZIP Code 600XX

Borrower Buynit, Ima

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	9	4	3	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	1.50	1.33	1.00	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Total # of Comparable Active Listings	15	7	11	<input checked="" type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	10.0	5.3	11.0	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	399,000	292,500	390,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	21	122	70	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	412,400	389,900	394,450	<input checked="" type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	46	92	80	<input checked="" type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	100	95	88	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). Seller concessions are usually not present in this market segment.

Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties).

Foreclosures and short sales are having an impact on this market. Foreclosures and short sales make up approximately 31% of recent closed sales and 18% of the current active listings.

Cite data sources for above information. The local MLS data was used to generate the above information. Due to the limitations of the process in which the MLS reports listings and sales, contingent properties, pending sales, expired and cancelled listings may also be reported in the inventory analysis. Therefore the sales and listing information reported here may not be the same as that reported in the appraisal report.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

The historic days on market trend shows that exposure time has been stabilizing over the past 12 months. The current marketing time for active listings has also been stabilizing. According to the local MRED MLS, 2-4 family housing values in the subject's macro market area have increased 7% in the past year. Currently there is a balance of competitive listings that are comparable to the subject in the subject's market area at this time. The absorption rate in the subject's market segment has been declining. (Absorption rate is 8.6 months overall in the macro market.) An improving economy, increased consumer confidence and a decreasing unemployment rate in Illinois are all factors. Recent sales activity has been declining due to the slower winter seasonal market. Any anomalies (such as a low amount or spike in reported sales or prices) can be attributed to seasonal markets. Listing to sales price ratios have been for the most part, stable with minor fluctuations. See attached addendum for more information concerning this Form 1004MC.

If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab.Rate)				<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

Signature
 Appraiser Name Paul J. Piekos IL Certified Residential Appraiser
 Company Name Piekos Appraisals
 Company Address 1533 N Vest Dr, Naperville, IL 60563-9381
 State License/Certification # 556.000117 State IL
 Email Address paul@piekos.com

Signature
 Supervisory Appraiser Name
 Company Name
 Company Address
 State License/Certification # State
 Email Address

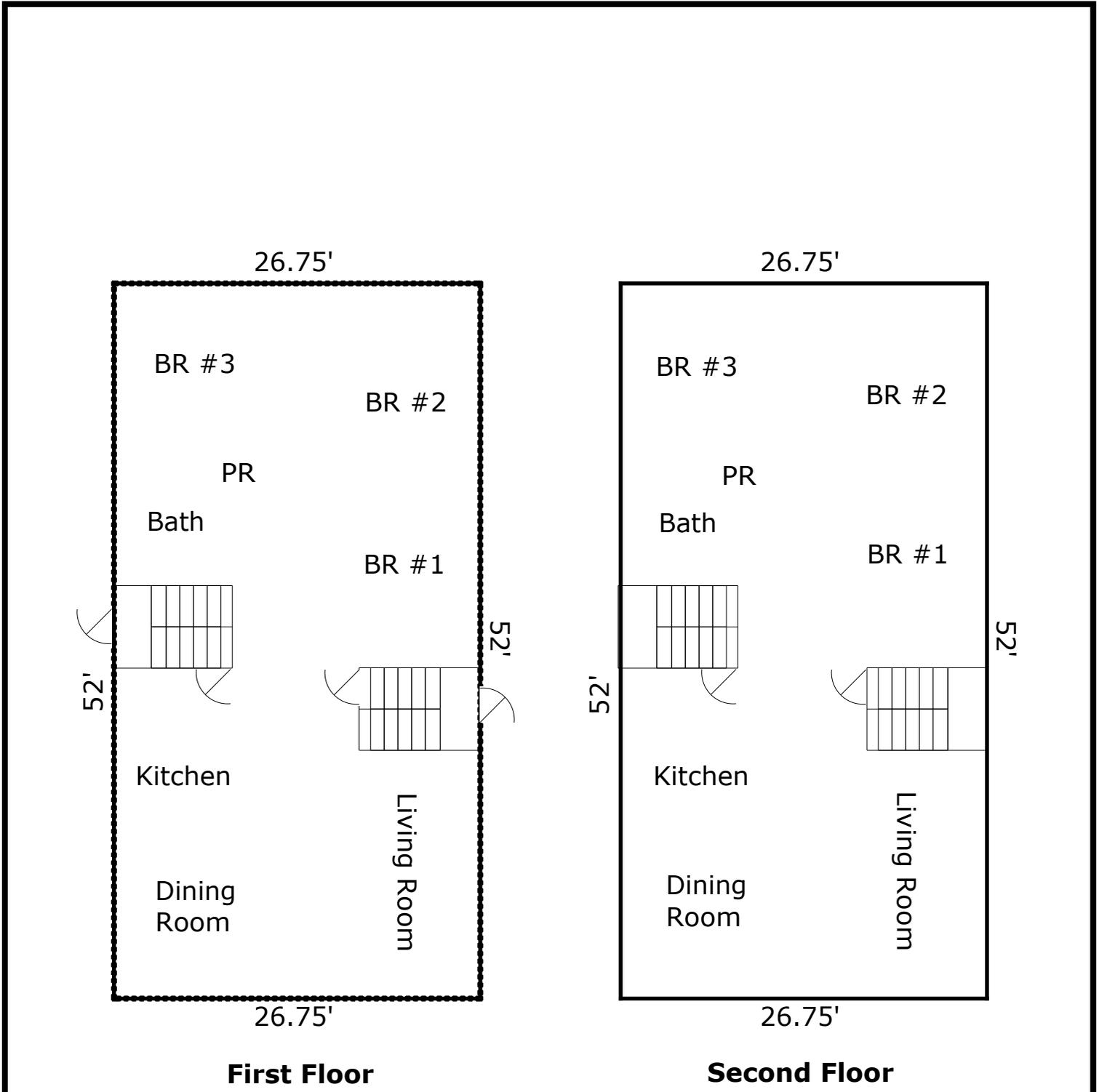
MARKET RESEARCH & ANALYSIS

CONDO/CO-OP PROJECTS

APPRAISER

Building Sketch

Borrower	Buynit, Ima						
Property Address	9128 Main Ave						
City	Anytown	County	Cook	State	IL	Zip Code	600XX
Lender	XYZ Financial Inc.						



TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area	Calculation Details	
First Floor	1391 Sq ft	$52 \times 26.75 = 1391$
Second Floor	1391 Sq ft	$52 \times 26.75 = 1391$
Total Living Area (Rounded):	2782 Sq ft	
Non-living Area		
Basement	1391 Sq ft	$52 \times 26.75 = 1391$

Subject Photo Page

Borrower	Buynit, Ima						
Property Address	9128 Main Ave						
City	Anytown	County	Cook	State	IL	Zip Code	600XX
Lender	XYZ Financial Inc.						



Subject Front

9128 Main Ave
Sales Price 270,000
G.B.A. 2,782
Age/Yr.Blt. 58



Subject Rear



Subject Street

Comparable Photo Page

Borrower	Buynit, Ima						
Property Address	9128 Main Ave						
City	Anytown	County	Cook	State	IL	Zip Code	600XX
Lender	XYZ Financial Inc.						



Comparable 1

9129 Lawler Ave
 Sales Price 280,000
 G.B.A. 2,787
 Age/Yr.Blt. 58



Comparable 2

9137 Lawler Ave
 Sales Price 305,000
 G.B.A. 3,130
 Age/Yr.Blt. 58



Comparable 3

9037 Skokie Blvd
 Sales Price 300,000
 G.B.A. 2,608
 Age/Yr.Blt. 59

Comparable Photo Page

Borrower	Buynit, Ima						
Property Address	9128 Main Ave						
City	Anytown	County	Cook	State	IL	Zip Code	600XX
Lender	XYZ Financial Inc.						



Comparable 4

4142 Oakton St
 Sales Price 300,000
 G.B.A. 2,519
 Age/Yr.Blt. 56



Comparable 5

4832 Hull St
 Sales Price 275,000
 G.B.A. 1,684
 Age/Yr.Blt. 67



Comparable 6

9133 Lawler Ave
 Sales Price 350,000
 G.B.A. 3,582
 Age/Yr.Blt. 58

Rental Photo Page

Borrower	Buynit, Ima				
Property Address	9128 Main Ave				
City	Anytown	County	Cook	State	IL
Lender	XYZ Financial Inc.				
				Zip Code	600XX

**Rental 1**

4142 Oakton St
Prox. to Subj. 1.79 miles SE
GBA 2,519
Age/Year Blt. 56

**Rental 2**

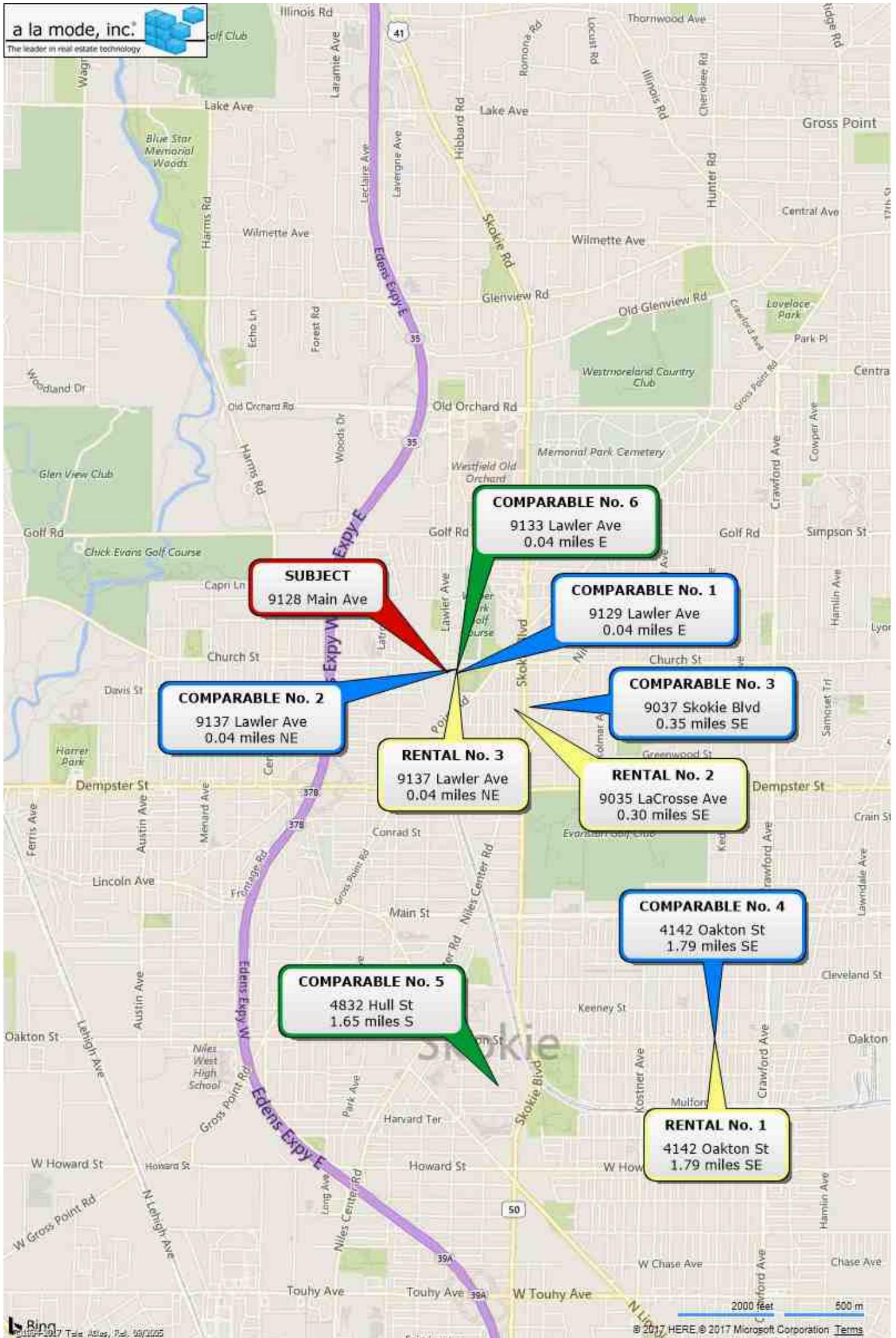
9035 La Crosse Ave
Prox. to Subj. 0.30 miles SE
GBA 2,444
Age/Year Blt. 57

**Rental 3**

9137 Lawler Ave
Prox. to Subj. 0.04 miles NE
GBA 3,130
Age/Year Blt. 58

Location Map

Borrower	Buynit, Ima		
Property Address	9128 Main Ave		
City	Anytown	County Cook	State IL Zip Code 600XX
Lender	XYZ Financial Inc.		



Operating Income Statement

One- to Four-Family Investment Property and Two- to Four-Family Owner-Occupied Property

Property Address

9128 Main Ave
Street

Anytown
City

IL
State

600XX
Zip Code

General Instructions: This form is to be prepared jointly by the loan applicant, the appraiser, and the lender's underwriter. The applicant must complete the following schedule indicating each unit's rental status, lease expiration date, current rent, market rent, and the responsibility for utility expenses. Rental figures must be based on the rent for an "unfurnished" unit.

	Currently Rented	Expiration Date	Current Rent Per Month	Market Rent Per Month	Utility Expense	Paid By Owner	Paid By Tenant
Unit No. 1	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	_____	\$ 0	\$ 1,250	Electricity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unit No. 2	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	_____	\$ _____	\$ 1,250	Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unit No. 3	Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____	\$ _____	Fuel Oil	<input type="checkbox"/>	<input type="checkbox"/>
Unit No. 4	Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____	\$ _____	Fuel (Other)	<input type="checkbox"/>	<input type="checkbox"/>
Total			\$ _____	\$ 2,500	Water/Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/>
					Trash Removal	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The applicant should complete all of the income and expense projections and for existing properties provide actual year-end operating statements for the past two years (for new properties the applicant's projected income and expenses must be provided). This Operating Income Statement and any previous operating statements the applicant provides must then be sent to the appraiser for review, comment, and/or adjustments next to the applicant's figures (e.g. Applicant/Appraiser 288/300). If the appraiser is retained to complete the form instead of the applicant, the lender must provide to the appraiser the aforementioned operating statements, mortgage insurance premium, HOA dues, leasehold payments, subordinate financing, and/or any other relevant information as to the income and expenses of the subject property received from the applicant to substantiate the projections. The underwriter should carefully review the applicant's/appraiser's projections and the appraiser's comments concerning those projections. The underwriter should make any final adjustments that are necessary to more accurately reflect any income or expense items that appear unreasonable for the market. (Real estate taxes and insurance on these types of properties are included in PITI and not calculated as an annual expense item) Income should be based on the current rents, but should not exceed market rents. When there are no current rents because the property is proposed, new, or currently vacant, market rents should be used.

Annual Income and Expense Projection for Next 12 months

Income (Do not include income for owner-occupied units)	By Applicant/Appraiser	Adjustments by Lender's Underwriter
Gross Annual Rental (from unit(s) to be rented) (Market)	\$ 30,000	\$ _____
Other Income (include sources)	+ _____	+ _____
Total	\$ 30,000	\$ _____
Less Vacancy/Rent Loss	- 3,300 (11%)	- _____ (%)
Effective Gross Income	\$ 26,700	\$ _____

Expenses (Do not include expenses for owner-occupied units)

Electricity	Tenant	_____
Gas	Tenant	_____
Fuel Oil	N/A	_____
Fuel _____ (Type - Gas _____)	Tenant	_____
Water/Sewer	Tenant	_____
Trash Removal	Tenant	_____
Pest Control	N/A	_____
Other Taxes or Licenses	N/A	_____
Casual Labor	Owner	_____

This includes the costs for public area cleaning, snow removal, etc., even though the applicant may not elect to contract for such services.

Interior Paint/Decorating

This includes the costs of contract labor and materials that are required to maintain the interiors of the living unit.

General Repairs/Maintenance

This includes the costs of contract labor and materials that are required to maintain the public corridors, stairways, roofs, mechanical systems, grounds, etc.

Management Expenses

These are the customer expenses that a professional management company would charge to manage the property.

Supplies

This includes the costs of items like light bulbs, janitorial supplies, etc.

Total Replacement Reserves - See Schedule on Pg. 2

Miscellaneous

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Operating Expenses	\$ 4,262	\$ _____

Replacement Reserve Schedule

Adequate replacement reserves must be calculated regardless of whether actual reserves are provided for on the owner's operating statements or are customary in the local market. This represents the total average yearly reserves. Generally, all equipment and components that have a remaining life of more than one year - such as refrigerators, stoves, clothes washers/dryers, trash compactors, furnaces, roofs, and carpeting, etc. - should be expensed on a replacement cost basis.

Equipment	Replacement Cost	Remaining Life	By Applicant/ Appraiser	Lender Adjustments
Stoves/Ranges	@ \$ 300 ea.	+ 20 Yrs.	x 2 Units = \$ 30	\$
Refrigerators	@ \$ 500 ea.	+ 20 Yrs.	x 2 Units = \$ 50	\$
Dishwashers	@ \$ ea.	+ Yrs.	x Units = \$	\$
A/C Units	@ \$ 1,500 ea.	+ 15 Yrs.	x 2 Units = \$ 200	\$
C. Washer/Dryers	@ \$ 600 ea.	+ 20 Yrs.	x 2 Units = \$ 60	\$
HW Heaters	@ \$ 400 ea.	+ 15 Yrs.	x 2 Units = \$ 53	\$
Furnace(s)	@ \$ 2,000 ea.	+ 25 Yrs.	x 2 Units = \$ 160	\$
(Other)	@ \$ ea.	+ Yrs.	x Units = \$	\$
Roof	@ \$ 5,000	+ 25 Yrs.	x One Bldg. = \$ 200	\$
Carpeting (Wall to Wall)		Remaining Life		
(Units)	309 Total Sq. Yds. @ \$ 10	Per Sq. Yd. + 10 Yrs.	= \$ 309	\$
(Public Areas)	Total Sq. Yds. @ \$	Per Sq. Yd. + Yrs.	= \$	\$
Total Replacement Reserves. (Enter on Pg. 1)			\$ 1,062	\$

Operating Income Reconciliation

\$ 26,700	-	\$ 4,262	=	\$ 22,438	+ 12 =	\$ 1,870
Effective Gross Income		Total Operating Expenses		Operating Income		Monthly Operating Income
\$ 1,870	-	\$	=	\$		
Monthly Operating Income		Monthly Housing Expense		Net Cash Flow		

(Note: Monthly Housing Expense includes principal and interest on the mortgage, hazard insurance premiums, real estate taxes, mortgage insurance premiums, HOA dues, leasehold payments, and subordinate financing payments.)

Underwriter's instructions for 2-4 Family Owner-Occupied Properties

- If Monthly Operating Income is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Monthly Operating Income is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total Monthly Housing Expense for the subject property to the borrower's stable monthly income.

Underwriter's instructions for 1-4 Family Investment Properties

- If Net Cash Flow is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Net Cash Flow is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total monthly housing expense for the borrower's primary residence to the borrower's stable monthly income.

Appraiser's Comments (Including sources for data and rationale for the projections)

Casual labor is to be provided by the owner, who will be either residing in or be in close proximity to the subject property. Minor repairs and decorating also to be performed by the owner. Replacement costs for equipment are at the retail level. Estimated remaining life new for those items are for units of average quality.

Paul J. Piekos IL Certified Residential Appraiser

Appraiser Name

Appraiser Signature

04/10/201X

Date

Underwriter's Comments and Rationale for Adjustments

Underwriter Name

Underwriter Signature

Date