

Big Changes Coming to Appraisals

What Real Estate Agents Need to Know

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OVERVIEW

Why This Matters to Agents



Big changes in reporting

The appraisal report itself is being completely redesigned — how information is captured and presented is changing.



Impacts your deals

It affects timelines, communication, and client expectations on nearly every transaction.

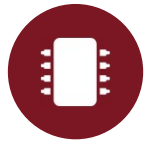


Protects transactions

Understanding the new process helps you guide clients and keep deals on track.

BACKGROUND

Why Appraisals Are Changing



Technology & lessons learned

COVID restrictions pushed the GSEs toward modern, flexible inspection and reporting.



Built for machine reading

Modernization improves clarity and consistency and lets systems read the data directly.



Old forms are dated

Today's forms are static — designed decades ago for a typewriter and paper-based review.



The goal

Smoother underwriting, fewer revisions — saving everyone time and money.

Bottom line: the way value is reported is modernizing — not how value is determined.

DEFINITION

What Is UAD 3.6?

UAD = Uniform Appraisal Dataset. Version 3.6 powers the redesigned Uniform Residential Appraisal Report (URAR).



New standardized format

A single, modern reporting format for the GSEs, now accepted by FHA.



Replaces legacy forms

One report replaces the many separate forms used today.



One flexible report

Adapts to all residential property types and assignment types.



Value method unchanged

How an appraiser determines value does not change.

THE BIG SIMPLIFICATION

From 15 Forms to One Report



All property types

One report adapts to single-family, condos, co-ops, and 2–4 unit properties.



Manufactured homes now included

Manufactured housing is covered by the same report — new under UAD 3.6.



Sections turn on and off

The report shows only the fields relevant to the actual property.

What the New Report Looks Like



Cleaner, organized layout



Shows only relevant sections



Less reliance on addenda



Easier to follow for all parties

Comparable Sales Section



Still market-driven

Value is still based on real market data and comparable sales — that foundation hasn't changed.



Clearer adjustments

Adjustments come with clearer, more structured explanations.



More transparency

Easier to understand the reasoning when questions arise.

Comps Not Used: On the Record



A structured table

The URAR now shows every comp the appraiser reviewed but did not use. That analysis used to be invisible.



Documented reasons

Each one is listed with the reason it was set aside, such as proximity, quality, or finished area, plus a short note.



Timing is everything

Bring comps to the appraiser while the analysis is still open. Once the report is signed, a late suggestion can only be noted, not weighed.

Photos Embedded in the Report



Photos sit next to related sections

Instead of a separate photo addendum, images appear alongside the data they support.



Reduces misinterpretation

Reviewers see exactly what the appraiser is describing, in context.



Speeds lender review

Clearer presentation helps underwriting move faster.

The New Market Section

The old Neighborhood section was renamed and rebuilt as Market, and the standalone 1004MC addendum is gone with it.



The 1004MC is retired

Market analysis is built into the URAR itself, with no separate attachment.



Metrics are required fields

Inventory counts, marketing times, and price trends are captured as data.



Boundaries, spelled out

The report names the area's borders and the comp-search criteria behind them.



Conclusions need support

The reported trend has to be backed by analysis, not just stated.

WHAT TO EXPECT

How This Affects Timelines



Short-Term

Learning curve as appraisers, lenders, and software adapt.



Long-Term

Fewer revisions and cleaner reports once adopted.



Nov. 2, 2026

The GSE mandate stands. Some lenders may get extra time into 2027.

UPDATED OCTOBER 2026

The Rollout Timeline



WE ARE HERE

Both UAD 2.6 and 3.6 are accepted today. November 2, 2026 remains the GSE mandate, with a one time exception for lenders who request it.

Extra Time for Some Lenders

Nov 2, 2026

Extra Time

Approved lenders may keep using UAD 2.6.



Mar 1, 2027

Reduced Benefits

UAD 2.6 reports lose risk scores and rep and warrant relief on value.

May 20, 2027

3.6 Mandatory

No new UAD 2.6 reports from any lender.



Jun 28, 2027

2.6 Retired

UAD 2.6 fully retired. Resubmissions end June 27.

ONE TIME ONLY

The November 2 mandate is not changing. Lenders must request this exception from each GSE, and it will not be extended.

FHA Opens the Door to UAD 3.6



Optional broad production is open

Effective October 1, 2026, all FHA-approved lenders may submit UAD 3.6 appraisals for forward mortgages and HECM reverse mortgages.



UAD 2.6 is still accepted

Lenders may keep delivering FHA appraisals in UAD 2.6. The format used first on a case number must be used for every resubmission.



No FHA mandatory date yet

Unlike the GSEs, FHA has not set a required date. It will assess lender readiness first, then announce when UAD 3.6 becomes mandatory.

YOUR ROLE

How Agents Can Help



Accurate listing info

Provide complete, accurate property details up front.



Prepare your sellers

Set expectations for the clearer, more detailed reporting.



Communicate early

Flag condition issues before the appraiser arrives.

YOUR ROLE

Agents Can Help Facilitate



Know the upgrades

Be ready with accurate details on modifications and improvements — especially kitchens and bathrooms.



Track the big-ticket systems

Have information on major updates: roofs, HVAC, windows, and additions.



Complete data = smoother process

The more complete the listing data, the smoother the appraisal will go.

YOUR ROLE

MLS Data Is Now Critical



Appraisers need more data

The new report asks for details that tax records and public sources do not carry, so appraisers will lean on the MLS.



Accuracy gets checked

Square footage, room counts, and update claims in a listing now sit next to structured appraisal data, where errors stand out.



Complete, correct, current

Fill in every field, verify what the seller reports, and fix mistakes fast. Good MLS entries mean smoother appraisals.

YOUR ROLE

Why Accuracy Matters

The appraiser needs this detail for the subject and for every comparable, and comp data comes from your MLS listings.



Interior photos, everywhere

Standardized interior photos are required, including every deficiency.



Rooms, level by level

Rooms and finished area are reported level by level, not as one total.



Ceiling heights count

Low or sloped ceilings can shift space into nonstandard finished area.



Comps need it too

Appraisers pull the same detail for comps, straight from your listings.

NEW DEFINITIONS

Bedroom and Bathroom Counts

One definition, applied the same way on every report, for your listing and for every comparable.



Full bath: three fixtures

Sink, toilet, and a bathtub or shower. A shower with no tub still counts.



Half bath: two fixtures

A sink and a toilet, nothing more. There is no three quarter bath.



Below grade counts

Bedroom and bath totals cover the whole unit, above and below grade.



Extras are commentary

Double sinks or a second toilet do not add to the count.

NEW DEFINITIONS

Each Bath, Half Bath and Kitchen must be rated separately as follows:

Room Update Status (Choose one for each kitchen or bathroom)	
Allowable Answer	Definition / Additional Guidance
Fully Updated	The kitchen or bathroom has been completely modernized, renovated, refinished, or remodeled to a like new condition. Note: This includes gut rehabs, new additions, or new construction (3.017).
Partially Updated	The kitchen or bathroom has a level of modernization with some replaced, refinished, or refurbished components but does not rise to the level of total replacement.
Not Updated	The kitchen or bathroom has had no modernization and has not experienced any renovation, refinishing, or remodeling since the original date of construction or within a timeframe that renders the update's impact negligible.

Room Condition Status (Choose one for each kitchen or bathroom)	
Allowable Answer	Definition / Additional Guidance
New or Like New	The kitchen or bathroom is new or like new with no visible signs of use. Note: This would be the typical answer when <i>New Construction</i> (3.017) is Yes.
Typical Wear and Tear	The kitchen or bathroom is fully functional and exhibits minimal wear and tear, with visible signs of use.
Damaged and Functional	The kitchen or bathroom is damaged and exhibits moderate wear and tear but can still function as intended or designed.
Damaged and Nonfunctional	The kitchen or bathroom is damaged and exhibits significant wear and tear to the level that it can no longer function as intended or designed. Note: If this answer is selected, individual damages and structural issues must be reported in the Apparent Defects, Damages, and Deficiencies (Unit Interior) subsection.

OVERALL Ratings

Collectively Kitchen & Bath Options



Fully Updated

Completely modernized, renovated, refinished, or remodeled to like-new condition — includes gut rehabs, new additions, or new construction.



Significantly Updated

The majority of the room or its main elements, such as flooring, cabinetry, and fixtures, appears updated, but not all are fully updated.



Moderately Updated

Minor updates and minimum modernization, with only some main elements updated. Bathrooms that are all partially updated land here.



Not Updated

No modernization since original construction — or so long ago the impact is negligible.

RATINGS

Condition & Quality Ratings

The familiar C1–C6 (condition) and Q1–Q6 (quality) scales haven't changed — but how they're applied has.

Condition



1 = new / best → 6 = lowest

Quality



1 = new / best → 6 = lowest



Separate Interior & Exterior

Both condition and quality now carry separate interior and exterior values where they differ.



Manufactured homes included

These ratings now apply to all residential types — including manufactured housing.



Sharper definitions

The wording behind each rating was rewritten so ratings are easier to tell apart — the scale itself is unchanged.

NEW LANGUAGE

New Report, New Vocabulary



Neighborhood → Market Area

The report defines an actual market area and analyzes it with data.



Location → Site Influence

What surrounds the site is itemized, each item with its own impact rating.



Arm's Length → Typically Motivated

Describes how motivated the parties were, rather than a single checkbox.



Actual Age → Year Built

The report simply states the year, with no age estimating.



Garage / Carport → Vehicle Storage

Garages, carports, driveways, and assigned spaces all report under one roof, with counts and sizes.



GLA → Above-Grade Finished Area

Joined by Below-Grade, Nonstandard, and Noncontinuous Finished Area.

ANSI Now Has Teeth



The exception code is retired

The old GXX001 code let an appraiser simply note that ANSI wasn't applied. UAD 3.6 retires that option for applicable property types.



Gaps become visible data

A county record of 2,600 sq ft against an ANSI measurement of 2,350 now shows up as data that everyone reviewing the file sees.



Measure before you price

On larger homes and homes with additions, ordering a measurement before setting the list price can prevent a mid-deal surprise.

INSIDE THE REPORT

A Look at the New URAR

Apparent Defects, Damages, Deficiencies (Dwelling Exterior)

The items listed below represent the As Is condition as of the effective date of this report

Feature	Location	Description	Affects Soundness or Structural Integrity	Recommended Action
Roof	Section of Roof	Damaged roof with missing flashing leaving the roof permeable to water intrusion.	Yes	Repair

Apparent Defects, Damages, Deficiencies (Unit Interior)

The items listed below represent the As Is condition as of the effective date of this report

Feature	Location	Description	Affects Soundness or Structural Integrity	Recommended Action
Flooring	Dining Room	Carpet is stained in one corner of the Dining Room.	No	None

Reconciliation (continued)

Apparent Defects, Damages, Deficiencies

The items listed below represent the As Is condition as of the effective date of this report

Feature	Location	Description	Affects Soundness or Structural Integrity	Recommended Action	Estimated Cost to Repair
Dwelling Exterior					
Roof	Section of Roof	Damaged roof with missing flashing leaving the roof permeable to water intrusion.	Yes	Repair	\$1,500
Unit Interior					
Flooring	Dining Room	Carpet is stained in one corner of the Dining Room.	No	None	
Total Cost					\$1,500

As Is Overall Condition Rating C5

Existing condition of the property as of the effective date of this appraisal, excluding all required repairs, alterations, or inspections



Structured data fields

Defects and deficiencies are captured in standardized fields — not narrative.



Room-level detail

Condition is reported in a consistent, reviewable format.



Less guesswork

Everyone reads the same structured information.

ALSO NEW

Some Additional Data Points



Every bathroom rated

Each bath rated by the four update-status levels, with detailed condition comments.



Standardized interior photos

Required for every appraisal — especially for any deficiency.



Broadband availability

Report whether high-speed internet (DSL, fiber, or cable) is available — vs. satellite-only.



Energy & green features

Energy efficiency and green features, including HERS ratings.



ANSI measurement

Standardized measurement — measured from the front-door threshold to the ground.



Solar & disaster fields

New fields for solar ownership and disaster-mitigation improvements.

The New Outbuilding Section



Every structure is reported

Barn, shed, pool house, studio, stable, greenhouse, workshop, standalone ADU. Each one gets its own section with type, area, utilities, and photos.



Detached garages are the exception

A plain detached garage is reported under Vehicle Storage. Add a workshop, a rec room, or an apartment and it becomes an outbuilding.



Real property or not comes first

The appraiser has to state whether the structure is permanently affixed. A shed the seller is taking along is a different answer.

What to Put in the Listing

The appraiser pulls outbuilding detail straight from your MLS entry, for the subject and for every comparable.



Name the structure

Barn, pool house, studio, stable, workshop. Not "extra building."



Size and finish

Square footage, and how much of it is finished versus unfinished.



Heat and utilities

Heating, cooling, electric, water, sewer. These are data fields now.



Flag a living unit

A unit above the garage is an ADU and pulls in a full interior section.

Why It Shows Up in Your Deal



Outbuildings have their own grid line

Type, area, and the adjustment show right in the comparable grid. That analysis used to disappear into a lump sum.



Defects can become loan conditions

A failing roof or a hole in a wall is reported with a photo and a recommended action, and the value can go subject to repair.



Thin listing data costs everyone time

One vague word in the MLS means phone calls, delays, and an appraiser guessing at what is out back.

ALSO NEW

Accessibility Features Are Now Data



A dedicated reporting category

Features designed for accessibility and usability now have their own structured fields in the report.



Fifteen recognized features

Grab bars, ramps, handrails, widened doorways, walk-in tubs and showers, cabinets, counters, lighting, and more.



Tell the appraiser

If a listing has accessibility modifications, say so. It is now a reported field, not a passing mention.

Revisions & ROVs Become a Record



Dedicated, standardized sections

Revision History and Reconsideration of Value now have their own report sections, replacing letters and email threads.



Minimum fields are enforced

Every reconsideration entry must include the type, date, outcome, and an explanation before it can be recorded.



The record works both ways

Requests backed by solid data stand in the appraisal's history, and thin ones do too. Make yours count.

BOTTOM LINE

What Agents Will Notice



Longer appointments

Appraisers collect more measurements, photos, and data points.



Reports look different

Each one is unique to the property — no two will look alike.



Turn times may rise

At least temporarily, as everyone adjusts into 2027.



Appraisers opting out

Fewer appraisers are taking on the new digital assignments.



Fee changes possible

Supply and demand could shift appraisal fee structures.

Questions & Discussion



Thank you for your time



Questions are welcome



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