

**Question:**

**What is a “reconsideration of value” (ROV) and who can request one?**

---

**Simple Answer:**

Any consideration, or reconsideration of value is a request for an appraisal.

Any lender or authorized employee or agent of a lender may request a reconsideration.

A borrower may request that the lender reconsider the value conclusion **but the borrower is not allowed** to communicate the request for a different value directly to the appraiser.

---

**Detailed Answer:**

On the surface a “reconsideration of value” seems simple. In reality the implication and answers to this question are complex and many.

Considerations -

A reconsideration of value could be:

- a request to correct **deficiencies**;
- a method of providing the appraise with information that was **missed** or may not have been considered originally;
- a way of asking the appraiser to consider **new** information that was not available during the first appraisal;
- a completely **new** appraisal assignment;
- a clumsy attempt to **influence** the appraiser into increasing the value or hiding detrimental conditions, and/or;
- all of the above.

Which is it? That would have to be determined on a case-by-case basis. The most likely reason for the question... an attempt to influence the appraiser into providing a higher value conclusion (See the ***Section on Appraiser Independence***).

There are times where requests of these types are legitimate and the client, due to deficiencies, is seeking a superior appraisal.

---

**Deficiencies and Missing Information:**

If there are deficiencies or critical information missing from the appraisal, then the client has every right, if not an obligation, to request that the appraisal be corrected. It’s possible that once the correct or missing information is added to the appraisal, the value will change. If that is the case then the appraiser should correct and reissue a new appraisal.

---

**New Information:**

If the client would like the appraiser to consider **new** information, information that was not available at the time of the original appraisal, **then the appraiser has received a request for a new appraisal assignment**. The request for a new analysis of the appraisal problem is a request for a **new** appraisal despite what terms or phrases the client uses. This is an update of a prior assignment.

From USPAP AO-3:

*“Regardless of the nomenclature used, when a client seeks a more current value or analysis of a property that was the subject of a prior assignment, this is not an extension of that prior assignment that was already completed – it is simply a new assignment.*”

---

**Attempt To Influence:**

If the request for a “reconsideration of value” is none of the reasons or explanations noted above, then likely it is an attempt to influence the appraisal process, which is illegal under state and federal laws.

Most of the “reconsiderations of value,” that I have seen, are due to the appraised value being less than what the client or borrower desire. I’m not aware of any “reconsideration of value” being made when the appraised value is higher than expected.

If the appraiser believes that influence and a higher value conclusion are the only reasons for the request, then the appraiser must politely and in a business like manner, push back or deny the request. Appraisers understand what this can mean to their business, but improper actions, like this, must be stopped. Read the Solutions Section for further help and guidance.

---

**Per HUD FAQ:**

A reconsideration of value is a request to the FHA Roster appraiser to reconsider the analysis and conclusions of his or her appraisal based on information that was **not** presented on the appraisal report, but was relevant to the appraisal and available to the appraiser in the normal course of business as of the effective date of the appraisal. Only the lender’s underwriter can request a reconsideration of value from the FHA Roster appraiser.

**Question:** In the course of reconsideration of value, what information can be presented to the appraiser?

**Answer:** Information regarding comparable sales, listings or under contract of sale properties that the FHA Roster appraiser did not cite in the appraisal report but was available to the appraiser in the normal course of business as of the effective date of the appraisal are appropriate data to be provided to the appraiser.

*(In other words, information that was available but the appraiser missed, which could impact the value or description)*

---

**HUD 4150.2; 4-9  
Reconsideration of  
Appraised Value:**

The underwriter may request reconsideration of the appraised value when **new** market data exists that may not have been reflected in the appraisal.

The lender can select new comparables and request a reappraisal. This request from the lender must be in writing and maintained in the appraiser's work file. The appraiser must decide whether to use the new comparables and perform the reappraisal. If the comparables were available when the initial appraisal was performed, the lender may not offer pay for the reconsideration.

Before any request for reconsideration of value may be accepted, the appraisal report and evidence to support a higher value must be reviewed by a HUD staff review appraiser or a Direct Endorsement mortgage underwriter.

---

**USPAP; AO-3 / Update:**

Regardless of the nomenclature used, when a client seeks a more current value or analysis of a property that was the subject of a prior assignment, this is not an extension of that prior assignment that was already completed – it is simply a new assignment. An “assignment” is defined in USPAP as:

- 1) An agreement between an appraiser and a client to provide a valuation service;
- 2) the valuation service that is provided as a consequence of such an agreement.

---

The same USPAP requirements apply when appraising or analyzing a property that was the subject of a prior assignment. There are no restrictions on who the appraiser is in such a circumstance, who the client is, what length of time may have elapsed between the prior and current assignments, or whether the characteristics of the subject property are unchanged or significantly different than in the prior assignment.

---

**USPAP FAQs:**

**Question:** May the appraiser modify his or her opinion of value after providing me the opinion of value in advance of receiving the report?

**Answer:** Yes, **if** the appraiser has **new** information that leads the appraiser to conclude, based on an independent, impartial and objective analysis, that a change is warranted.

**Question:** How do I get my appraisal report questions answered by the appraiser?

**Answer:** You must be the client, or the appraiser must have authorization from the client, in order for the appraiser to discuss the appraisal with you.

---

**Solutions:**

The solution to these questions and problems involve multiple steps.

**#1 From The Appraisal Foundation:**

After reviewing an appraisal, if the client, or borrower believes the appraiser **did not consider important information, or has incorrect information**, about the subject property or available comparables, the client or borrower should discuss the matter with the lender. Concerns should be submitted, in writing, to the lender with a request that the appraiser be asked to address them. The appraiser should review the appraisal and, if additional credible information is pertinent to the appraisal assignment, provide a revised appraisal with commentary addressing the concerns.

**#2 From Richard:**

If the information submitted by the borrower via the lender/client to the appraiser is not superior to, or more thorough than, what the appraiser originally utilized, then the appraiser should provide a written statement to his lender/client stating such. And charge for your time.

**#3 Is there a deficiency?**

Probe the client's request to see if the appraisal has missing information or is there new information that may help increase the accuracy of the appraisal.

**#4 Influence.**

If after speaking to the client the appraiser believes the request is a disguised attempt at influencing the value conclusion - politely inform the client that the additional information is worthless, provide a **physical letter** stating such, and then file a complaint with the lender's compliance officer and related regulatory agencies. (See the Section on Appraiser Independence)

**#5 More Information.**

There is a fine line between a request for information and an attempt to influence the outcome of an appraisal. The appraiser must have a clear understanding of the problem prior to deciding the steps to take in solving the request.

Read the section on **Appraiser Independence**, at the back of this book, and take a class on the topic.

---

**Related Guidance:**

- *Advisory Opinion -3;*
- *HUD 4105.2; The Valuation Process - 4-9 Reconsideration of Value;*
- *Class - Appraiser Independence and the Mandatory Reporting of USPAP Failures.*