

About desktop appraisals

Leveraging the wealth of big data, the power of advanced analytics, and the speed of technology, appraisers can perform desktop appraisals without physically inspecting the property.¹

Desktop appraisal benefits

- ✔ Supports digital transformation in the mortgage origination process.
- ✔ Cost- and time-efficient process benefits borrowers and lenders.
- ✔ May reduce confirmation bias.
- ✔ Mitigates appraiser capacity constraints.
- ✔ Rigorous testing shows similar risk performance compared to traditional appraisals.
- ✔ Improves disaster/pandemic response time.

Additional resources

- [DU release notes for March 19, 2022 update](#)
- [URAR Hybrid and Desktop Appraisal Forms — Quick Reference](#)
- [URAR Hybrid and Desktop Appraisal Forms — Overview](#)

1. This fact sheet provides a summary for reference only. All criteria are subject to the formal terms and conditions of the Selling Guide.

2. Basic eligibility: purchase transaction, one-unit principal residence, LTV is less than or equal to 90%, and DU Approve/Eligible recommendation.

Appraiser and lender responsibilities



Lender receives message from Desktop Underwriter® (DU®) indicating the casefile is eligible² for a desktop appraisal.



Lender orders desktop appraisal.

Lender and borrower always have the option to order a traditional appraisal (Form 1004) or execute an appraisal waiver if offered.



Appraiser receives assignment for desktop appraisal reported on Form 1004 Desktop.



Appraiser conducts analysis and develops opinion of value.

- Use Form 1004 Desktop.
- No physical inspection of the subject property; data may be provided by various parties (buyer/seller agent, homeowner, builder, appraiser files, etc.) and through secondary data sources (public records, MLS, internet, etc.).
- Must include floor plan with interior walls.
- The appraiser must have sufficient information to develop a credible report.
- Data provided by parties with a financial interest in the sale or financing of the subject property must be verified by a disinterested source.



Appraiser submits report.



Lender reviews the appraisal to confirm it:

- is reported on Form 1004 Desktop,
- includes a floor plan, and
- meets all other requirements.



Lender submits appraisal to the Uniform Collateral Data Portal® and delivers the loan through Loan Delivery. Choose “DesktopAppraisal” as the appraisal method type in loan delivery data.

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Desktop FAQs

1

What Fannie Mae form will appraisers use to complete a desktop appraisal?

Appraisers must use [Fannie Mae Form 1004 \(Desktop\)](#) to complete desktop appraisals. Note that this is a different form from the traditional forms used (with a modified set of instructions, scope of work, statement of assumptions and limiting conditions, and certification) for appraisals using the COVID-19 Temporary Flexibilities, which have since expired.

2

What are the differences between the traditional Form 1004 and Form 1004 (Desktop)?

See the URAR Hybrid and Desktop Appraisal Forms — Overview for a line-by-line comparison of the differences between Forms 1004 and 1004 (Desktop).

3

Does Certification 10 allow an appraiser to accept information about the transaction from someone with a financial interest (i.e., homeowner, real estate agent)?

Yes, provided the appraiser verifies the information through a disinterested source, such as aerial maps, assessor data, or virtual inspection technologies.

4

What is the difference between a floor plan and a sketch?

A floor plan shows interior walls to help assess the functional utility of the home; a sketch typically displays only exterior dimensions.

5

How can a floor plan be created digitally?

Third-party software is available to create a floor plan using existing mobile device technology.

6

Can appraisers use a previously available floor plan?

Yes, if it is accurate and representative of the current state of the property.

7

Do homeowner-provided photos require verification?

Photos can be verified using MLS listings or with a live, virtual walkthrough with the homeowner. Photos that are taken during a live walkthrough with the homeowner are considered appraiser observation during a live event and do not require further verification.

8

What should the appraiser do if they cannot verify information?

If the appraiser does not have information to create a credible report, they should take the necessary steps to verify or obtain the information necessary for a credible report.

9

How will lenders know if a loan transaction is eligible for a desktop appraisal?

Desktop Underwriter® (DU®) will indicate when a loan casefile is eligible for a desktop appraisal. Ordering a desktop appraisal is optional; lenders can always opt to order a traditional appraisal if the borrower wants one or for other reasons.