

REAA 2 hour CE Class

## Review of the 1004MC Addenda

12/23/2013

### **Section 1: History of the Fannie Mae 1004 Market Conditions addenda (15 min)**

- A) Required by Fannie Mae after 4/1/2009
- B) Dramatically Decreasing market trends after less than credible increases

### **Section 2: Purpose of the Fannie Mae 1004 Market Conditions addenda (30 min)**

- A) Enhance the transparency of market trends and conditions used by appraisers
- B) Create a standardized method of determining trends in specific neighborhoods
  - 1) Property Specific statistics
  - 2) Neighborhood in general (page 1- 1004 report)
  - 3) Support trends in the neighborhood section of the 1004
- C) Create a standardized method of determining and support time adjustments
  - 1) Over 12 months
  - 2) Over 6 months
  - 3) Over 3 months

### **Section 3: Overview of the 1004MC form and terminology (45 min)**

- A) Instructions
  - 1) Provide information to extent available and reliable
  - 2) Explain when not available and unreliable
  - 3) Explain anomalies in the market area
- B) Seller concessions past 12 months
- C) Foreclosures and short sales
- D) Data sources to complete the form
  - 1) Local MLS
  - 2) Realist data
  - 3) NDC Data
  - 4) Data Quick
  - 5) Appraisal files
- E) Summarize, explain and support data and conclusions

### **Section 5: Reconciliation with main report (20 min)**

- A) Neighborhood section main report
- B) Sales and listings market grid section

**Q&A (10 min)**

