

APPENDIX E

APPRAISAL INFORMATION HOMEBUYER SUBRECIPIENT

All Homebuyer Subrecipient assistance projects require an appraisal (typically provided by the participating principal mortgage lender involved). The appraisal must be less than 6 months old and must be provided to an IFA project manager prior to processing draw request for HOME funds. The purchase price of a property to be acquired by an assisted homebuyer cannot exceed 95% of the area median sales price for the type of housing being purchased. (Refer to Appendix J – Iowa HOME Homeownership Value Limits)

If rehabilitation is required, the after-rehabilitation value of the property cannot exceed 95% of the area median sales price. (Refer to Appendix J) The after-rehabilitation appraisal must be less than 6 months old and must be provided to an IFA project manager prior to processing draw request for HOME funds.

In order to meet this requirement in rehab projects, it is recommended that the Subrecipient coordinate with the primary lender in providing the rehab work write-up to the appraiser prior to the appraiser's site visit. The appraiser should also be instructed that an "after-rehab" or "as-completed" value must be determined and reported on the appraisal.