

**Frequent Appraisal Report Errors & Omissions** - compiled by the IndyMac Bank Appraisal Review staff

**Subject**

- Lack of or inadequate listing and sales history for the subject
- Lack of analysis and commentary supporting significant value change for the subject since prior transfer, i.e., no description of remodeling and upgrades, inadequate discussion of changing market conditions, etc.
- Failure to provide a correct or complete legal description or assessor's parcel number; failing to accurately identify the property
- Failure to accurately report zoning
- No explanation for significant differences between subject property characteristics reported in the appraisal and public record's description of the property, i.e., gross living area, site area, legal description or assessor's parcel number, zoning, etc.
- Failure to disclose or analyze effect of externalities, i.e., railroad tracks, heavy traffic streets or freeways, airport flight path overhead, etc.
- Failure to adequately describe special circumstances affecting the subject property: excess acreage, accessibility issues, major updating or upgrades, unusual floor plans, unique properties, over- or under-improvements, excessive depreciation, safety bars on windows, illegal uses, repairs, unfinished items, functional deficiencies, non-conformity to neighborhood, etc.
- Inadequate commentary concerning updating, rehabilitation or remodeling of older improvements
- For purchase transactions, failure to review and analyze the subject's current purchase contract; failure to disclose and analyze seller concessions
- For condominium reports, incomplete or missing information regarding the subject's complex, amenities and homeowners association

**Neighborhood**

- Inaccurate predominant price and predominant price range
- No or inadequate commentary when subject's value fall outside of the predominant range or far from the report predominant price

**Cost Approach**

- Inaccurate and unsupported site value estimates; site value "backed-into"
- Inaccurate physical depreciation due to unrealistic and unsupported effective age estimate
- Unrealistic site improvement estimates

**Sales Comparison Analysis**

- Use of out-of-area comparables to support an inflated value
- Selection of properties that are not comparable to the subject
- Failure to disclose and analyze recent prior sale of a comparable
- Subject's characteristics not bracketed by comparables; value estimate not bracketed by comparables' purchase prices
- Inaccurate distances between the subject and comparables
- Failure to support subjective adjustments to the comparables with data or commentary
- Across-the-board adjustments without support or commentary
- Failure to comment on comparables' with characteristics visibly superior in photos to the subject
- Adjustments to comparables inconsistent with costs and depreciation reported in cost approach
- Large adjustments for "upgrades" without providing details of the upgrades
- Failure to provide at least one comparable with similar externalities, i.e., traffic or commercial influence, etc.

### **Reconciliation**

- Failure to support significant value increase over short time period
- Failure to reconcile approaches to value, particularly when they result in significantly different values
- For Complete appraisals, indicating that income analysis was not relevant or sufficient data was not available in neighborhoods with high tenant-occupancy

### **Addenda**

- Failure to provide adequate photo addenda for items affecting value, i.e., no picture of view, pool, equestrian facilities, etc.
- Street scene photos that do not include the subject property
- Sketch missing dimensions, area calculations or room locations

### **General**

- Inadequate, irrelevant or "boilerplate" commentary throughout report
- Commentary or descriptions that conflict with other parts of the appraisal
- Failure to analyze or comment on items with potentially significant effect on value seen in subject or comparable photos, i.e., traffic streets, adjacent commercial/industrial properties, damage to improvements etc.