



MERCHANTS PREMIUM PROGRAM

Valuation Summary

Jumbo, High Balance, and Conforming Elite

- A full Uniform Residential Appraisal Summary Report (URAR), with interior and exterior inspections
- Loan amounts > \$2,000,000 require two full appraisals
- No transfers or assignments are allowed
- The appraisal date may not be more than 180 days prior to the date of the Mortgage Note
- If the appraisal report is more than 120 calendar days old as of the date of the Note and Mortgage, an appraisal update is required
- Property condition ratings C5 and C6 are ineligible
- Quality of Construction rating Q6 is ineligible
- All files must reflect submission to the UCDP
- No appraisal waivers allowed

Secondary Valuation Summary Requirements

All files with a CU Score > 2.5 or with no CU Score must contain a secondary valuation product. Sellers can elect to run a Desk Review.

Desk Reviews - if the initial appraisal's value will be supported by a Desk Review; the seller will be required to provide a Collateral Desk Analysis (CDA) obtained from Clear Capital or Consolidated Collateral Analysis (CCA) obtained from Consolidated Analytics.

Secondary Valuation Results

If the secondary valuation report is greater than the appraised value, the LTV/HCLTV would be based on the initial appraised value.
If the secondary valuation report is lower than the appraised value but within a 10% tolerance, the LTV/HCLTV would be based on the initial appraised value.
If the secondary valuation report is lower than the appraised value by more than 10% tolerance, a third valuation report must be provided.

Third Valuation (If Applicable)

All files must contain a third valuation product if and when the secondary valuation product (CDA or CCA) returns a value that is "indeterminate" or if the CDA or CCA indicates a lower value than the appraised value and exceeds a 10% tolerance.

- Field Review
- OR
- Second Appraisal

Value will be based on the lesser of the original appraisal, field review, or 2nd appraisal. The maximum number of supporting valuation products for any appraisal is two products.

Please consult Underwriting Guidelines for complete Program requirements.