

Wednesday, October 09, 2024

Bulletin #2024-CNDC-010

## NOTICE TO ALL CORRESPONDENTS AND NON-DELEGATED CORRESPONDENTS:

### Borrower Initiated Reconsideration of Value Reminder

FLC Bank would like to remind all Correspondent Customers of the upcoming dates for lenders to implement the new requirements related to Appraisal Review and Reconsideration of Value (ROV) policy and guidelines.

Fannie Mae, Freddie Mac, and Federal Housing Administration (FHA) published new Reconsideration of Value (ROV) policies effective with new applications (Fannie Mae and Freddie Mac) or FHA case number assignments on or after October 31, 2024.

For loans requiring an appraisal report, the agencies require lenders to have policies and procedures in place for a Borrower initiated Reconsideration of Value (ROV) that must include a review and resolution procedure for the ROV request, and steps for the borrower to appeal an appraisal when it is believed the opinion of value is:

- Unsupported,
- Deficient due to unacceptable appraisal practices, or
- Reflects prohibited discriminatory practices.

In addition, lenders must provide a disclosure to the borrower outlining the ROV process twice (at the time of loan application and again when the appraisal report is delivered to the borrower).

Correspondent Customers are responsible for establishing their own processes to support these requirements which must adhere to Fannie Mae, Freddie Mac, and FHA's reconsideration of value policies and include a copy of the borrower reconsideration of value disclosure provided at time of application and when the appraisal report is delivered to the borrower.

Loan files will be conditioned by the Correspondent Pre-Purchase team if the documentation is not provided at the time of the pre-purchase review submission.

#### Resources:

[FHA Mortgagee Letter 2024-07](#)

[Freddie Mac 2024-6](#)

[Fannie Mae SEL-2024-03](#)

If you have any questions, please contact your [Account Executive or Client Relations Representative](#).