

APPRAISAL REPORT-RESIDENTIAL INCOME PROPERTY

This form may be used for appraisal of income producing properties provided the loan requested does not exceed \$750,000.

Borrower/Client, Property Address, City, County, State, Zip Code, File No., Map Reference, Census Tract, Legal Description

Current Sale Price (if applicable) \$, Date of Sale, Loan Requested \$

Terms of Sale, Property Rights Appraised, Lender, Lender's Address

Instructions to Appraiser: The purpose of this appraisal is to estimate the current Market Value of the Subject Property. The Definition of Market Value is as set forth in Certification And Statement Of Limiting Conditions (FHLMC 439).

Note: FHLMC/FNMA do not consider the racial composition of the neighborhood to be a relevant factor and it must not be considered in the appraisal.

Other Information, Appraisal requested from, Date 5/21/2008, By

Items 1, 2, 4, 5, & 6 are required. Attach additional items and check box if items are considered appropriate for this appraisal or are requested by Lender.

- 1. Descriptive photographs of subject property
2. Descriptive photographs of street scene
3. Photographs of
4. Sketch or floor plan of typical units
5. Owner's current certified rent roll if existing, or pro forma if proposed or incomplete
6. Owner's income and expense statement, or pro forma income and expense statement
7. Map(s)
8. Plot plan or survey
9. Qualifications of Appraiser
10. Lease Analysis FHLMC 461 (required if leasehold interest appraised)
11. Summary of reciprocal agreements with other owners for use of parking, driveways, recreational facilities, private streets, (required if applicable)
12.
13.

Table with columns: Location, Built-up, Present land use, Change in present land use, Property values, Housing demand/supply, Predominant occupancy, Condominium, Single Family, Typical apartment, OVERALL RATING (Employment Stability, Adequacy of Utilities, Convenience of Schools, Police and Fire Protection, Recreational Facilities, Property Compatibility, Protection from Detrimental Conditions, General Appearance of Properties, Appeal to Market), Distance, Access or Convenience.

Estimated neighborhood apartment vacancy rate, Rent Levels, Rent Controls, Describe any incompatible land uses and overall property appeal and maintenance level

Describe any oversupply of units in area by type and rental

Describe any shortage of units in area by type and rental

Describe potential for additional units in area considering land availability, zoning, utilities, etc.

Is population of relevant market area of insufficient size, diversity and financial ability to support subject property and its amenities? If yes, specify.

Describe any probable changes in the economic base of neighborhood which would favorably or adversely affect apartment rentals(e.g. employment centers, zoning)

General comments including either favorable or unfavorable elements not mentioned (e.g. public parks, view, noise, parking congestion)

Dimensions, Area, Zoning (classification, uses and densities permitted), Present Improvements

Highest and best use, Present use, Other (specify)

Electricity, Gas, Water, Sanitary Sewer, Street Surface, Ingress and Egress (Adequacy), Topography, View Amenity, Drainage and Flood Conditions, Is the property located in a HUD Identified Special Flood Hazard Area?

COMMENTS (including any easements or encroachments or any nonconforming use(s) of present improvements)

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3												
Address																
Proximity to subject																
Map code																
Lot size																
Brief description of building improvements	No. Units: _____ No. Vac. _____ Year Built: _____	No. Units: _____ No. Vac. _____ Year Built: _____	No. Units: _____ No. Vac. _____ Year Built: _____	No. Units: _____ No. Vac. _____ Year Built: _____												
Quality																
Condition																
Recreational facilities																
Parking																
Tenant appeal																
Unit breakdown	No. of Units	UNIT ROOM COUNT			No. of Units	UNIT ROOM COUNT			No. of Units	UNIT ROOM COUNT			No. of Units	UNIT ROOM COUNT		
		Total	BR	Bath		Total	BR	Bath		Total	BR	Bath		Total	BR	Bath
Util. paid by owner																
Data source																
Price	\$ _____	<input type="checkbox"/> Unf. <input type="checkbox"/> F	\$ _____	<input type="checkbox"/> Unf. <input type="checkbox"/> F	\$ _____	<input type="checkbox"/> Unf. <input type="checkbox"/> F	\$ _____	<input type="checkbox"/> Unf. <input type="checkbox"/> F								
Sale-Listing-Offer																
Date of sale																
Terms (Including conditions of sale and financing terms)																

MARKET APPROACH

Complete as many of the following items as possible using data effective at time of sale

Gross Annual Income	\$ _____	\$ _____	\$ _____	\$ _____
Gross Ann. Inc. Mult. (1)				
Net Annual Income	\$ _____	\$ _____	\$ _____	\$ _____
Expense Percentage (2)		%	%	%
Overall Cap. Rate (3)		%	%	%
Price per unit	\$ _____	\$ _____	\$ _____	\$ _____
Price per room	\$ _____	\$ _____	\$ _____	\$ _____
Price gross bldg. area	\$ _____ /sq. ft. bldg. area	\$ _____ /sq. ft. bldg. area	\$ _____ /sq. ft. bldg. area	\$ _____ /sq. ft. bldg. area

(1) Sale Price / Gross Annual Income (2) Total Annual Expenses / Total Gross Annual Income (3) Net Annual Income / Price

RECONCILIATION:

INDICATED VALUE BY MARKET APPROACH

	INCOME		EXPENSES		ACTUAL	FORECASTED
		\$		\$		
Total Monthly Apartment Forecasted Rents	\$ _____	Real Estate Taxes*	.....	\$ _____	\$ _____
Other Monthly Income (Itemize)	\$ _____	Other taxes or licenses	.....	_____	_____
		\$ _____	Insurance	.....	_____	_____
Total Gross Monthly Forecasted Income	\$ _____	Unsubordinated ground rent	.....	_____	_____
Total Gross Annual Forecasted Income	\$ _____	Fuel	.....	_____	_____
Less Forecasted Vacancy and Collection Loss (_____ %)	\$ (_____)	Gas	.....	_____	_____
Effective Gross Annual Income	\$ _____	Electricity	.....	_____	_____
Less Forecasted Expenses & Replacement Reserves	\$ (_____)	Water and sewer	.....	_____	_____
Net Annual Income from Total Property	\$ _____	Trash removal	.....	_____	_____
Less Return on and Recapture of Depreciated Value of	\$ _____	Pest control	.....	_____	_____
Furnishings (\$ _____ @ _____ %)	\$ (_____)	Maintenance and repairs	.....	_____	_____
Net Annual Income from Real Property	\$ _____	Interior and exterior decorating	.....	_____	_____
Capitalized as follows:			Cleaning expenses and supplies	.....	_____	_____
			Management (Off-site)	.....	_____	_____
			Res. Mgr. salary & apartment	.....	_____	_____
			Janitor(s) salary & apartment	.....	_____	_____
			Miscellaneous	.....	_____	_____
*Real Est. Taxes <input type="checkbox"/> Actual <input type="checkbox"/> Est. Tax Rate Per \$100		\$ _____				
Total Assessed Value \$			REPLACEMENT RESERVES			
Comments:			Carpeting and drapes	.....	_____	_____
			Ranges and refrigerators	.....	_____	_____
			Dishwashers and disposals	.....	_____	_____
			Individual heating & AC units	.....	_____	_____
			TOTAL EXPENSES & REPL. RES.	\$ _____	\$ _____	\$ _____
			INDICATED VALUE BY INCOME APPROACH \$			

INCOME APPROACH

GENERAL COMMENTS (Including comments on any items rated poor or fair) _____

CONDITIONS AND REQUIREMENTS OF APPRAISAL (include required repairs, replacements, painting, termite inspections, etc.) _____

RECONCILIATION AND VALUE CONCLUSION

Indicated Value by the Cost Approach \$ _____
 Indicated Value by the Market Approach \$ _____
 Indicated Value by the Income Approach \$ _____

FINAL RECONCILIATION _____

I certify, that to the best of my knowledge and belief, the statements made in this report are true and I have not knowingly withheld any significant information; that I have personally inspected subject property, both inside and outside, and have made an exterior inspection of all comparable sales listed herein; that I have no interest, present or contemplated, in subject property or the participants in the sale; that neither the employment nor compensation to make said appraisal is contingent upon any value estimate; and, that all contingent and limiting conditions are stated herein. Certification and Statement of Limiting Conditions

(FHLMC Form 439 Rev. 6/93) applies (on file with Client Attached).

As a result of my investigation and analysis, my estimate of Market Value of the subject property as of _____ is _____

\$ _____

Date _____ Appraiser _____
 If applicable, complete the following

Date _____ Appraiser _____

Date _____ Supervising or Review Appraiser
 Did Did Not Physically Inspect Property

FOR LENDER'S USE ONLY (completion optional)

Loan Recommended \$ _____ @ _____ % Term _____ yrs. Principal & Interest \$ _____/mo. \$ _____/annually
 Subject to: _____

Borrower's Cost or Purchase Price \$ _____ Appraised Value \$ _____ Loan to Appraised Value _____ %
 Loan: Per Unit \$ _____ Per Room \$ _____ Per Sq. Ft. of Building Area \$ _____
 Gross Annual Forecasted Income \$ _____ Gross Annual Income Multiplier _____ Overall Capitalization Rate _____ %
 Forecasted Annual Expenses and Replacement Reserves \$ _____ (_____ % of Gross Annual Forecasted Income)
 Break-even Point (this loan): (Annual Exp. & RR \$ _____ + Annual P & I pymts. \$ _____) / (Gross Annual Income \$ _____) = _____ %
 (All financing) : (Annual Exp & RR \$ _____ + Annual P & I pymts. for all financing \$ _____) / (Gross Annual Inc. \$ _____) = _____ %
 Borrower's Return on Appraised Equity (Net Annual Inc. \$ _____ (-) Annual P & I pymts \$ _____) = \$ _____ (1)
 (Appraised Value \$ _____ (-) Loan Amt. \$ _____) = \$ _____ (2)
 \$ _____ (1) / \$ _____ (2) = _____ %

Comments or Committee Action _____

Building Sketch

Client			
Property Address			
City	County	State	Zip Code
Client			