[ Date ]

ATTN: [ Name of Lender ]

Subject Property

[ Subject Property Address ]

Appraised Value: $ [ ]

After reviewing the appraisal for [ Address ] by [ Appraiser ], we would like to request further clarification and investigation by the appraiser. We would like to ask for a reconsideration of value based on the following points:

* Critique Comp 1 if necessary and ask the appraiser to give an explanation for adjustments that were given or not given.
* Critique Comp 2 if necessary and ask the appraiser to give an explanation for adjustments that were given or not given.
* Critique Comp 3 if necessary and ask the appraiser to give an explanation for adjustments that were given or not given.
* Share any other relevant information here about the market, current listings or other information in the appraisal report that would be good to address. Focus
* What does the appraiser think of [ address ] and [ address ] as comparable properties?

We would humbly ask the appraiser to take a second look at the information above as it relates to data and adjustments in the appraisal report. We appreciate your time and consideration, and please let us know if you have any further questions.

Respectfully,

[ Your Name & Contact Information ]

**An example of the document filled out:**

March 27, 2016

ATTN: XYZ Mortgage Company

Subject Property

123 Main Street

Sacramento, CA 95824

Appraised Value: $220,000

**[Opening Paragraph]** After reviewing the appraisal for 123 Main Street by John Blacksmith, we would like to request further clarification and investigation by the appraiser. We would like to ask for a reconsideration of value based on the following points:

* **[Comp Critique]** Comp 1 was given a $10,000 adjustment for condition. This property was a cosmetic fixer, whereas the subject property had $33,450 in recent improvements. A $10,000 adjustment seems minimal when considering the substantial improvements given to the subject property. When looking at renovated properties (like Comp 3 and pending Comps 4-5), it seems like the market is willing to pay a much larger premium for upgrades.
* **[Comp Critique]** Comp 2 backs a commercial property and is located across the street from a gas station, but no adjustment was given for the adverse location. It may have been a clerical error on the part of the appraiser to have not given an adjustment. Why was an adjustment not given?
* **[Comp Critique]** Comp 3 is updated and the value adjusted well beyond the appraised value. Why was this property not given more weight in the appraisal report? It seems like Comp 1 is inferior in condition and Comp 2 has an inferior location, while Comp 3 is the most similar.
* **[Comp Critique]** Comps 4-5 are pending at $242,000 and $248,000. Comp 4 ended up closing 7 days after the appraiser’s inspection at $240,000. We know it cannot be used as a sale in the appraisal report, but on the inspection date it seems like this pending was still a strong indicator of value. Why did the appraiser not give more weight to these listings?
* **[New Comps]** What does the appraiser think of 2462 Bono Street and 8629 Edge Way as comparable properties?

**[Closing Paragraph]** We would humbly ask the appraiser to take a second look at the information above as it relates to data and adjustments in the appraisal report. We appreciate your time and consideration, and please let us know if you have any further questions.

Respectfully,

Larry Holmes

TEL 916-867-5309

email@email.com

**The Art of an Appraisal Rebuttal**

Today let’s talk through some tips for putting together a rebuttal, and then how to format these tips into a document you can use in your business whenever you need to challenge an appraisal. If you have questions after today, please let us know.

**QUICK TIPS for challenging a bad appraisal:**



**1. Write it down:** Make sure you write out your thoughts in a logical manner so the lender and appraiser can listen to your reasoning.

**2. Novel:** Don’t write one.

**3. Filter Thyself:** Leave name-calling and finger-pointing inside your head.

**4. Provide specific support:** Be specific about why the value opinion is different in your mind. The appraiser might have made some clerical errors, but focus on critiquing the meat of the appraisal, which is really comp selection and adjustments given (or not given).

**5. New comps:** On top of picking apart the comps, make sure to supply 1-2 other sales for the appraiser to consider. Be sure they are truly competitive, which means they shouldn’t be twice the size or located in a superior area. Would a buyer consider purchasing the comps as a replacement for the subject property if the comps were still on the market? That’s competitive.

**6. Be humble:** You might be right, but you could also be wrong.

**7. Bullet points format:** Organize your thoughts into 5-10 specific bullet points so the appraiser and lender can easily digest your reasoning. Avoid lengthy paragraphs and emotional points void of logic and specific data. The first few bullet points ought to be Comp 1, Comp 2, Comp 3 and then whatever else might be relevant.

**8. Ask questions:** After you present a point, ask the appraiser to explain why certain adjustments were made or not made. As an example, “Comp 2 is located next to a gas station, but no adjustment was given. This may have been a clerical error on the part of the appraiser. Why did the appraiser not make an adjustment for an adverse location?”

**9. No pressure:** Remember to not pressure for a higher value. Stick with the facts and try to help the market speak for itself. You are asking the appraiser to reconsider the value, not meet your sales price. In fact, don’t even suggest a minimum value for the appraiser to meet. With some focused communication, you can provide support for a higher value without saying, “it’s worth at least X amount”.

**10. Opening Paragraph:** “After reviewing the appraisal for [address] by [appraiser], we would like to request further clarification and investigation by the appraiser. We would like to ask for a reconsideration of value based on the following points:”

**11. Closing Paragraph:** “We would humbly ask the appraiser to take a second look at the information above as it relates to data and adjustments in the appraisal report. We appreciate your time and consideration, and please let us know if you have any further questions.”

Ryan Lundquist - Appraiser

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