



REAL ESTATE INFORMATION TECHNOLOGY

Update: MarketLinx support for the Market Conditions Addendum Report

Background

Form 1004MC, the Market Conditions Addendum, is a form required on all appraisals submitted to Fannie Mae and Freddie Mac beginning April 1. The form requires statistical information of properties comparable to the appraised property for the previous year broken into 3 time periods, as well as analysis to evaluate whether overall trends are increasing, decreasing or stable. Additional subjective information is also requested, such as whether foreclosures are a factor, whether seller-paid financial assistance is prevalent, etc.

MarketLinx's approach to providing this information

MarketLinx will provide an Excel spreadsheet that can be posted on each association, board and/or MLS's site and used to calculate all statistical data required in 1004MC. This spreadsheet will be tailored to the specific rules of the MLS, and may even be customized by individual appraisers if they wish.

A search results grid (or in Tempo 4, a custom report template) will be created at each site and shared to all members. This grid will include the core fields needed to compute the 1004MC statistics. Appraisers will use the regular search functions to return a list of all comparable properties within the last year, and then export those results using this grid to specify the fields to export. The appraiser then copies the exported data and pastes it into the spreadsheet and all calculations are performed instantly.

We have decided to support this need via a spreadsheet rather than a canned report for a variety of reasons:

- The appraiser community itself has embraced this approach. A similar spreadsheet has been created by an appraiser in California and made freely available via the REAA Yahoo Group and other online appraiser sites. That spreadsheet has undergone many enhancements since its release and now includes trend analysis, square footage metrics, graphs, and other information of great value to appraisers but not required by 1004MC. Some appraisers may wish to tailor this version to their data needs.
- Appraiser feedback indicated that the ability to specify any search criteria in defining comparable properties was necessary, and that the ability to view those comparables in detail was of value in performing the appraisal.
- The spreadsheet approach provides an efficient way for the appraiser to save the comparable data used in the appraisal for record-keeping.
- The spreadsheet approach provides an efficient way to quickly address and correct any calculation changes which may be needed.

- The nature of the report – specifically the DOM calculations for listings that were active at some point during a prior period of time – means that the calculations must be customized for each MLS.

The Excel spreadsheet will be tailored per-MLS to conform to site-specific data and rules. Your spreadsheet and end-user instructions will be sent by March 27th.