

APPRAISAL GUIDELINES

- 1) The appraisal must be completed by an accredited appraiser (CRA or AACI) that has been accepted by Three Point Capital and placed on their Approved List of Appraisers.
- 2) Appraisals are to be addressed to Three Point Capital. Appraisals from approved appraisers addressed to parties other than the above, may be accepted provided the appraiser includes a Letter of Transmittal and directly submits the documents to Three Point Capital.
- 3) Appraisals received from appraisers that are not on the Approved List of Appraisers may be accepted on an exception basis only but may be subject to a review by an appraiser on the Approved List of Appraisers or a Realtors Opinion of Value from a Licensed Realtor of Three Point Capital's choosing.
- 4) The appraisal must clearly indicate that Three Point Capital is permitted to use the subject appraisal for mortgage financing purposes.
- 5) Appraisals are to include specific comments on any unusual or detracting property features, property conditions including general upkeep, and any detracting neighbourhood features.
- 6) Full appraisal analysis is to be performed with particular attention to the property's geographic location, remaining economic life, property condition, and the location of the comparables utilized in the Direct Comparison Approach section.
- 7) In all cases, payment of appraisal fees will be the sole responsibility of the mortgage broker and/or the borrower, unless otherwise stated by Three Point Capital in writing.
- 8) Appraisals must be submitted on standard Appraisal Institute forms and the following items must be attached to, or included in, the report:
 - a) Reports to be based on an "as is" value. All "as complete" values will only be accepted for progress advance mortgage loans.
 - b) Four colour photographs of the exterior of the property (front, rear, yard, and street scene).
 - c) Colour photographs of living/family areas, kitchen(s) and bathroom(s) plus pictures of any unusual/noteworthy/derogatory conditions or work in progress noted on site.
 - d) Comparable sale photos (clear and legible copies from a MLS Board may be considered acceptable). Comparable sales used must be no older than five months unless accompanied by complete explanation). Adjustments on comparable sales must be no more than 25% for gross and 15% for net unless accompanied by adequate explanation.
 - e) Location map, showing the location of the property and the comparables used.
 - f) 12-month listing history of the property showing all listings, sales, and expired listings.
- 9) Progress Advance reports must be accompanied by at least one exterior photo and two interior photos showing work completed and work in progress.
- 10) Please answer the following questions in each report:
 - a) Who let you into the property?
 - b) If it was the Owner, were they aware that a transaction (refinance or sale) is pending on their property?
 - c) Did anyone other than a Three Point Capital employee give you any special instructions during or before the appraisal?
 - d) If the property is vacant, how was access gained?
- 11) Appraisals must be original or email/.pdf; no fax copies will be accepted. Appraisals must be sent directly from the appraiser to Three Point Capital.