



WHOLESALE ANNOUNCEMENT 2023-43

September 12, 2023

Prime Jumbo Guideline Update

Effective Date

Effective immediately

Guideline Updates:

Appraisal Requirements

- The Comparable Sales for Properties in New or Recently Converted Subdivisions, Condos, or PUDs section of the guidelines has been updated to include;
 - If the subject property is located in a new (or recently converted) condo project, subdivision, or PUD, it must be compared to other properties in the same market area and to properties within the subject condo project subdivision, or PUD. This comparison should help demonstrate market acceptance of new developments and the properties within them. Generally, a subdivision is considered new when there are limited or no resales or the builder or developer is involved in the marketing or sale of the properties.
 - At a minimum, the appraisal report for these properties must include the following:
 - At least one settled comparable sale from the subject condo project, subdivision, or PUD. (A resale is preferable if it is verifiable and does not involve the subject builder or developer).
 - At least one settled comparable sale from outside the subject condo project, subdivision, or PUD.
 - A third settled comparable sale can be from inside or outside of the subject condo project, subdivision, or PUD. Settled comparable sales or resales from within the subject condo project, subdivision, or PUD are preferable to settled sales from outside the condo project, subdivision, or PUD provided the builder or developer of the subject property is not involved in those transactions.
 - In the event there are no settled comparable sales inside a new condo project, subdivision, or PUD because the subject property transaction is one of the first units to sell, the appraiser may use two pending sales in the subject project, subdivision, or PUD in lieu of one settled sale. The appraiser must also use at least three settled comparable sales from projects, subdivisions, or PUDs outside of the subject project, subdivision, or PUD.
 - If the subject property is part of a newly built or recently converted condo project, subdivision, or PUD that has 2-20 units and there are no settled or pending sales, the appraiser may use comparable sales from a competing project, subdivision, or PUD. The requirements in the following must apply.
 - The appraisal report must
 - Use competing projects, subdivisions, or PUDs of a similar size and type.
 - Explain why the comparable sales were chosen and demonstrate market acceptance.



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- Describe how the condo project, subdivision, or PUD chosen compares to the subject property.
- Note: If the subject property is not the first unit under contract in the condo project, subdivision, or PUD, the appraiser must include one under contract sale from the subject's project, subdivision, or PUD as a supplemental exhibit.
 - To meet the requirement that the appraiser utilize one comparable sale from inside the subject project, subdivision, or PUD, the appraiser may need to rely solely on the builder of the property they are appraising, as this data may not yet be available through typical data sources (for example, public records or multiple listing services). In this scenario, it is acceptable for the appraiser to verify the transaction of the comparable sale by viewing a copy of the settlement statement from the builder's file.
 - When providing builder sales from competing projects that are not presently available through traditional data sources, the appraiser must verify the sale from the applicable settlement statement and indicate on the appraisal report that the settlement statement was the document utilized for verification. Additionally, the appraisal must include discussion and analysis of sales concessions and upgrades for the subject property relative to concessions and upgrades for each builder sale.

**Prime Jumbo Guidelines have been updated and posted on FCM's
[Wholesale Knowledge Center](#)**

Should you have any questions, please reach out to your Account Executive or Client Manager