

January 1, 2013 (SAMPLE FORMAT ON HOW TO CHALLENGE A POOR APPRAISAL)

ATTN: [Lender Name]

Subject Property
XXXX McPherson Avenue
St. Louis, MO 63112

After reviewing the appraisal for XXXX Verbena Ct by [Appraiser Name], I would like to request further clarification and investigation by the appraiser. I would also like to ask for a "reconsideration of value" based on the following points:

- A minimal adjustment of only \$10,000 was made to Comp 1 to account for the subject's superior upgrades. Comp 1 includes an original kitchen and is generally outdated whereas the subject has been extensively upgraded including a newly remodeled kitchen, new flooring, new roof, new electrical, and new paint. Why was Comp 1 given most weight in the report despite its inferior levels of maintenance/upkeep and lack of any significant upgrading?
- Comp 2 is in similar overall condition however the subject has a brand new driveway and new sod along the front/backyard. Comp 2 also fronts to a public school and therefore has increased traffic flow whereas the subject is located deeper within the neighborhood. An inferior location adjustment for Comp 2 appears warranted especially when considering a model match (4578 Justin St) more similar in location to the subject went pending at \$457,000 after just 16 DOM.
- Comp 3 was given a site adjustment however this adjustment appears unsupported. Comps 1-2 have smaller lots, yet sold at higher levels. This shows the market is not automatically willing to pay more for properties with slightly larger lots. The MLS also states this property sold below fair market value as part of a "relocation sale" which was not addressed in the appraisal.
- Comp 4 is a current listing while Comp 5 is a pending sale both of which easily support a higher value especially when noting Comp 5 is scheduled to close next week for \$465,000. Did the appraiser give these properties any consideration and would they help support a higher value?
- 3645 Juniper Ave recently closed at \$459,000 on mm/dd/year. This property has slightly superior living area and similar overall upgrades but lacks a garage whereas the subject includes a 2 car garage. Why was this sale not utilized in the appraisal as it's a more recent sale located in closer proximity to the subject than any of the comps in the current appraisal report? Please provide an explanation as to why this sale was not used as it would easily support the current sale price.
- 6275 Jackson Way closed at \$452,000 on mm/dd/year. This property is nearly identical to the subject in terms of size and condition however it backs the freeway. After making an adjustment to account for its inferior location this sale would also easily support the current sale price. Please advise if this sale could be used as a replacement comparable as well.

Overall the final opinion of value appears to be reconciled at the lower end of the market range and is out of sync with the sales and listings utilized in the appraisal as well as the additional sales, information and data provided above.

I 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. I appreciate your time and consideration, and I can be reached with any further questions at 714-XXX-XXXX.

Respectfully,

Your Name
Your Company
TEL (314) XXX-XXXX

Your Company Name 123 Main St, Saint Louis, MO 63112 *Phone: 314-XXX-XXXX*