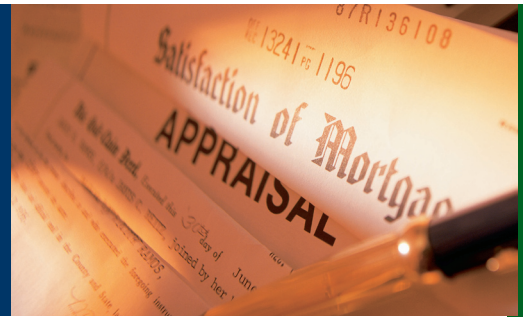


Appraisal of Property



The appraisal process consists of several steps. Having an idea of what is involved in appraising a piece of property can greatly help you maximize the appraised value and avoid costly details and re-inspections.

The following are the major steps in the sequence normally followed by appraisers:

- Research the property in question as to size, square footage, bedrooms, baths and year built.
- Research local comparable properties. The appraiser will locate at least three homes that have similar square footage, are within a one mile radius, and have sold within the last six months.
- Conduct a field inspection of the subject property.
- Conduct a field inspection of exterior of the selected comparable properties.

The subject inspection consists of taking photos of the street and exterior of the home. The appraiser will inspect the home interior for condition, noting any items that would detract from or add to the value of the home. He or she will also draw a floor plan of the home while doing the inspection. Comparable properties inspection is limited to home exteriors.

After the field inspection has been completed, the appraiser must determine a final estimated value. This form of estimating value is called the Direct Sales Comparison Approach to Value, and it accounts for nearly all of the considerations in determining the value of single family homes.