

SITE INSPECTIONS

Income property appraisals are expensive and take up 3 to 6 weeks to complete. Quotes of \$5,000 - \$7,000 are not uncommon.

In addition, Federal regulations require Federally related lenders to order their own appraisals. Lenders can assign appraisals to other lenders only, but it has to be an appraiser that is on the Lender's approved list.

In order to prevent unnecessary appraisal fees, and in order to get the photographs you need for your proposal submission package, you should always arrange for a site inspection of the property before ordering an appraisal. *In* fact, if you order the appraisal on your own, no Federally related lender will be allowed to use it.

If the property is out of your driving range, ask the borrower for a \$50 site inspection check. Then order some photographs and a quick, drive-by verbal report from a local appraiser, realtor, real estate broker or friend. All you need are a number of attractive frontal photographs of the property, some street scenes, and a verbal report on the socio-economic nature of the area.

Do *NOT* ask the borrower to take the pictures! You will lose the sale every time. The borrower will never send them, and while he is procrastinating, he will be justifying his procrastination by thinking of everything wrong with your loan. In addition, you would still need an independent third party to report on the socio-economic nature of the area.