

ROV Process

Partner Notice 2024-01

Smartfi's ROV Process
11.05.2024

Dear Partner,

FHA Mortgagee Letter 2024-07 requires a process for a borrower to request a **Reconsideration of Value (ROV)** when they disagree with the appraiser's opinion of value or there is evidence within the appraisal of bias or discrimination. Every Lender must establish a ROV Process.

This process is effective for **case numbers assigned on or after October 31, 2024**.

RECONSIDERATION OF VALUE PROCESS

- When a borrower wants a reconsideration of value, the broker must send an acknowledgement to the borrower (in writing) that the ROV request has been received. Smartfi® will condition for proof of the written communication.
- Borrower (with the assistance of the LO) must complete the **Appraisal Reconsideration Request Form** available in the [Partner Portal > Resources > Checklists & Forms](#).
- Email the completed Appraisal Dispute form and supporting documentation to your Smartfi Processor.
- Smartfi will review and submit the ROV to the AMC.
- ROV results will be emailed to the broker to share with the borrower.
- The disclosure explains the borrower has a right to request a reconsideration of value (see sample on next page).

FHA REQUIREMENTS

- Lenders must provide an easy-to-understand disclosure at loan application **AND** upon delivery of the appraisal to the borrower.
- The following communication with borrowers must be documented **IN WRITING**:
 - Lender acknowledging receipt of the ROV request
 - How to correct an incomplete ROV request
 - Updates on the status of the ROV request
 - The results of the ROV request

New ROV disclosure has been added to all HECM and Choice application packages and will be provided in our redisclosure packages. See sample attached.

Borrower Reconsideration of Value Disclosure

As part of your loan application, we will order an appraisal to determine the property's value and charge you for this appraisal. We will give you a copy of any appraisal, even if your loan does not close.

Our goal is to ensure the appraisals used in our lending practice are independent and fair. If you believe that your appraisal is not reliable or credible, you have the right to request a reconsideration of value (ROV) at no cost to you. An ROV is a request to the appraiser to reconsider the conclusions of the appraisal based on information not presented in the appraisal report.

Reasons for a reconsideration of value may include (but are not limited to) receiving an appraisal that is inaccurate because it was based on outdated or incomplete information, because you believe there was a deficiency in the way the appraisal was conducted, or because you believe discriminatory practices occurred.

The process for submitting the ROV request begins with this disclosure. Federal law requires us to provide you with this information at application, and again when you receive your appraisal. Please note that you can only submit one ROV request per appraisal.

If you have reason to believe that the appraisal provided is not reliable or credible, please contact your Loan Officer. Your Loan Officer can assist with the process and specific documentation that will be needed to request a Reconsideration of Value.

Reconsideration of Value Process:

Once documentation/additional information is obtained, your Loan Officer will complete an Appraisal Reconsideration Request Form for review by Underwriting and potential submission to the appraiser for reconsideration.

This submission may include:

- Description of unsupported, inaccurate, or deficient areas of the appraisal such as Square Footage discrepancies and/or room count. *NOTE: Requested corrections must be supported by documentation such as tax or county records.*
- Up to 5 closed comparable sales. *NOTE: Alternative comparable's must be similar to the subject property and sold within an acceptable time frame.*
- Previous appraisals cannot be used as documentation to support a reconsideration of value, and a request or reference to a specific value is not allowed.

Upon submission to Smartfi Home Loans, LLC, the Expected Reconsideration of Value processing time 5-10 business days. The results and/or status of the request will be provided at this time.