

**DEFINITIONS FROM WED 8/30/17 NJCTBA SESSION
"REO, SHORT SALES and FORECLOSURES"**

Valuation Products:

Appraisal – The act or process of developing an opinion of value.

REO Appraisal – An appraisal which includes a REO addendum, "As Is" Value, Value Repaired, 30-day value, 60-day value, 90-day value etc. General will list repairs as a cost to cure. Some repair situation may result in a "Subject to" Value. Requiring the repairs to be completed, which is based on a hypothetical condition.

Field Review of an Appraisal - Generally exterior only; however, it could have an interior inspection. The field review could have an opinion of value that agrees or disagrees with the value found in the Appraisal

Deck Top Appraisal- This type of appraisal could have both interior and exterior. Generally completed by a license appraiser; however, the interior may be completed by a separate individual like a broker.

BPO- Broker's Price Opinion, may have adjustments in the comment section of the form. Or the form may have a place for an adjustment.

CMA -Comparable Market Analysis, may have adjustments in the comment section of the form. Or the form may have a place for an adjustment.

AVM- Automated Valuation Models, a statistical model based on multiple regression analysis along with geographic information system(GIS) data to calculate the estimated value of the subject. Generally used a support tool only.

Appraisal Review- Usually a desk top product completed by a license or certified appraiser. With or without a value opinion. Sometimes this product will require an exterior and or interior inspection of the property.

Administration Review- Can be completed by both license and non-licensed individual.

A Mortgage can be considered non-performing and in foreclosure after the monthly payment was not made.

The lender has several options available to them as a method to get the loan performing. Generally, the Inter Agency Guidelines will dictate which guidelines are appropriate for a situation.

In most cases it is more economically feasible to get the loan performing then it is to foreclose.

REO- real-estate owned, as a result of a Foreclosure, or a Deed in-Lou of Foreclosure.

Now the lender is responsible for all cost associated with that property while it is in REO status, including taxes, maintenance, repairs, legal fees, transfer fees, and the cost to sell the property.

Foreclosure- When a lienholder causes property to be sold so the unpaid debt secured by the lien can be satisfied from the sale proceeds. The mortgagee takes back the mortgagor's property, resulting in a REO status. The mortgagor may or may not be responsible for the unpaid loan balance

Deed in-Lou of foreclosure- generally the mortgagor is not responsible for the loan balance.

Short Sale – The sale price is less than the loan balance, requires the approval of the mortgagee and generally the mortgagor is not responsible for the loan balance.