

## Update to Appraisal Requirements

HUD recently released Mortgagee Letter 2025-18, which will apply to case assignments on or after June 27<sup>th</sup>, 2025. It rolls back several outdated FHA appraisal requirements for HECM loans.

The SecureEquity<sup>SM</sup> product will also adopt these changes and will be effective for applications dated on or after June 27<sup>th</sup>, 2025.

Photo Requirements	Previous Standard	Updated Standard
Exterior Photos of Dwelling	Required from all sides, including opposite angles	Only front and rear views are required; opposite angles are no longer needed
Street Scene Photo	Must include a portion of the subject’s site	No longer required to include the subject site
New Construction – Grade & Drainage	Photos required to depict the subject’s grade and drainage	No longer required
Attic and Crawl Space	Photos required	No longer required, unless underwriter discretion applies due to concerns (e.g., damage or infestation)
Bathrooms, Bedrooms, Kitchen, Living/Family Room	All required	Still required
Finished/Unfinished Basement	Required	Still required
Interior of Garage	Required (exceptions allowed by DE underwriter)	Still required (same exception policy remains)
2–4 Unit Properties – Common Areas	Hallways, foyers, laundry rooms, etc. required	No longer required
Condo – Common Areas & Amenities	Additional photos required of shared amenities and common areas	No longer required
Comparable Sales – Angled Exterior Photos	Required angle to show front and side of each comp	No longer required
Comparable Sales (MLS) – Appraiser's Own Photo	Required even if MLS photo available	MLS photos are now acceptable on their own.

**Additional Appraisal updates:**

**Remaining Economic Life**

- The appraiser is no longer required to state the remaining economic life or provide supporting analysis when it is less than 30 years

**Comparable Sales & Listings in Changing Markets**

The previous requirement for additional comps and listings in markets identified with property value trends (Increasing or Decreasing) has been removed. Appraisers are no longer required to include:

- An absorption rate analysis
- At least two comparable sales that closed within 90 days prior to the effective date
- A minimum of two active listings or pending sales