First Interstate

Reconsideration of Value

What is an Appraisal?

As part of your home purchase process, the property will be assessed by a licensed real estate appraiser to develop an opinion of its market value. The appraiser will assess the characteristics and condition of the property and compare it to other similar properties that have already sold in order to formulate an opinion of your properties current value. Appraisers must follow standardized rules of conduct as defined by the Uniform Standards of Professional Appraisal Practice. These rules govern things like the selection of comparable properties and acceptable methods for making value adjustments, along with standards for professionalism and ethics.

What is a Reconsideration of Value?

A Reconsideration of Value (ROV) is a process through which you may exercise your right to challenge the value determination made by an appraiser if you have reason to believe it is inaccurate, deficient or discriminatory. Importantly, an appraiser must not base their opinion of value in whole or in part on race, color, religion, national origin, sex, disability, or familial status or otherwise violate federal, state or local antidiscrimination laws.

Please note that it is permissible to request a Reconsideration of Value based on material deficiencies in the appraisal, including inaccuracies due to errors, omissions, discrimination, or a failure to consider the appropriate comparable properties. It is not permissible, under appraiser independence requirements, to influence an appraisal through coercion, extortion, inducement, bribery, or intimidation of, compensation or instruction to, or collusion with an appraiser.

How Do I Request a Reconsideration of Value?

If you choose to request a ROV, you must provide us with a description of why you believe the appraisal is deficient and additional data, such as identifying comparable properties that should have been considered by the appraiser, that supports your request for reconsideration. ***Only one ROV is permitted per appraisal***. You may, but are not required to, work with your realtor or mortgage loan officer to assist you with the request.

Use the **Reconsideration of Value Request** to initiate a Reconsideration of Value. Complete **all** of the following information and click submit.

1. Borrower(s) name;
2. Property address;
3. Effective date of the appraisal;
4. Appraiser name;
5. Identification and description of unsupported, inaccurate, or deficient areas in the appraisal report;
6. Additional data, information, and/or comparable properties, ***not to exceed five***, and the related data sources (for example, the MLS listing number);
7. An explanation of why the new data supports the Reconsideration of Value.

Once you have submitted all of the above information, First Interstate Bank's Appraisal Department will review the ROV for completeness and to ensure that it does not violate any applicable appraiser independence requirements. Once this review is complete, the Appraisal Department will submit the ROV to the original appraiser for their consideration.

Information Regarding Comparable Properties

Most appraisals rely on the "Sales Comparison Approach" which compares your property to other recently sold properties that are similar in characteristics and condition and are within the same geographic area to formulate an opinion of your property's estimated value. Because of this, the comparable properties selected are very important in determining your properties value. Should you choose to request a Reconsideration of Value, providing additional comparable properties for the appraiser to consider is a critical component of your request.

Please note that comparable properties used to develop an opinion of value must:

1. Be for a closed sale, not for a property that is currently for sale or for a contingent sale;
2. Have sold recently, generally within the last six to twelve months. An appraiser may have to use a time adjustment to capture changes in the market that occurred after a sale;
3. Have similar characteristics (such as square footage, lot size, year built, number of bedrooms and bathrooms, etc.) and be in a similar condition to your property; and
4. Be in the same geographic area and, preferably, in the same neighborhood as your property.

Reconsideration Timing

Once you have submitted your request for a ROV and we have completed our review for completeness, we will submit the request to the appraiser with an expectation that the ROV will be completed within ten days. Once completed by the appraiser, we will contact you regarding the results of the ROV.

Clarifications or Corrections Unrelated to Value

If you would like to request a clarification or correction regarding an appraisal that is unrelated to the value determination made by the appraiser, please contact our Appraisal Department at ****.