

KHC'S APPRAISAL ORDERING SYSTEM LENDER WORKFLOW:

1. Lender reserves loan in **Loan Connection Services**.
 - a. If KHC performs the DE underwriting for the lender's FHA loans, then the lender will complete additional fields required to order appraisal.
 - b. If property is a HUD Repo, mark the applicable box. KHC will not order appraisals for HUD Repos since they are usually provided by HUD.
 - c. If there are HOME funds, lender will not be prompted to enter an HQS inspector.
 - d. Upon completion of the reservation fields, lender will print KHC forms, including the new **Appraisal Request Form and HQS inspection form, if applicable**.

2. When the lender is ready to order the appraisal, they will complete the additional blanks on the Appraisal Request Form and either fax or email it to KHC along with:
 - a. Clear copies of the purchase contract and all addendums
 - b. Deed
 - c. Other documents that are required (i.e. plans & specs if new construction, etc.).

The e-mail address is khcappraisal@kyhousing.org or fax to (502) 564-7664.

Special note: Please be sure to print initial KHC docs and Loan Submission Checklist once reservation is complete. Once the appraisal request has been sent in, the status will be changed on the loan and those docs will not be available on KHC's web site.

3. Upon receipt of the above forms, loan status will be changed to "**AppraisalR**" (appraisal request received) and an e-mail will be sent to lender notifying them of status change. The status in Loan Connection will not change during this process – it will remain in "**Reserved**" status.
 - a. KHC will verify property address via www.usps.com.
 - b. After review of documents, the appraisal will be ordered and loan status will be changed to "**AppraisalO**" (appraisal ordered). An e-mail will be sent to the lender notifying them of the status change.
 - c. The appraiser has **10 days** to get the appraisal back to KHC. **DO NOT CONTACT KHC TO CHECK STATUS UNLESS IT HAS BEEN MORE THAN 10 DAYS.**

4. When the appraisal is received back to KHC, the status will be changed to "**AppraisRec**" (appraisal received from appraiser) and an e-mail will be sent to the lender notifying them of the status change.
 - a. A KHC underwriter will review the appraisal within 72 hours of receipt. If the appraisal is ok, the underwriter will issue the Conditional Commitment. The status will change to "**AppraiseUW**" (appraisal underwritten) and an e-mail will be sent to the lender notifying them of the

status change. If there are any issues with the appraisal, the underwriter will contact the appraiser to request additional information, which may delay the issuing of the Conditional Commitment.

- b. KHC staff will forward the following to the lender via email: appraisal, HQS Inspection (if applicable) and completed Conditional Commitment.
 - c. Once the lender receives the appraisal, Conditional Commitment and all other documents, the lender may, at that time, submit the credit package to KHC. **It is not necessary for the lender to include the items KHC sent in the credit package (i.e. copy of appraisal, conditional commitment, etc.).**
 - d. Lender will be responsible for giving a copy of the appraisal and conditional commitment to the homebuyer.
 - e. A copy of the appraisal invoice will also be sent to lender so that it may be paid for at closing by the attorney.
5. Lender will still be responsible for obtaining GSA and LDP info from unsecured websites and having that info in the underwriting file.
 6. Lender will notify KHC to order the final inspection, if applicable. KHC will order the inspection from the appraiser and/or HQS inspector.
 7. If the loan does not close, lender will be billed by KHC for the cost of the appraisal. Lender will then have 30 days to pay the invoice. If the lender fails to pay outstanding invoices, KHC will suspend lender from new reservations.