

Subject Property:  
123 Center Street  
Main City, CA 90000

Subject front photo goes here...

## *Evaluation Report*

### Advanced Residential Broker Price Opinion

Report Date:

Prepared by:

# RESIDENTIAL BROKER PRICE OPINION

Lender: \_\_\_\_\_ File #: \_\_\_\_\_  
 Loan #: n/a This BPO is the  Initial  2nd Opinion  Updated  Exterior Only DATE 1/1/2001  
 PROPERTY ADDRESS: \_\_\_\_\_ SALES REPRESENTATIVE: \_\_\_\_\_  
 \_\_\_\_\_ BORROWER'S NAME: \_\_\_\_\_  
 FIRM NAME: \_\_\_\_\_ COMPLETED BY: \_\_\_\_\_  
 PHONE NO. \_\_\_\_\_ FAX NO. \_\_\_\_\_

## I. GENERAL MARKET CONDITIONS

Current market condition:  Depressed  Slow  Stable  Improving  Excellent  
 Employment conditions:  Declining  Stable  Increasing  
 Market price of this type property has:  Decreased \_\_\_\_\_ % in past \_\_\_\_\_ months  
 Increased \_\_\_\_\_ % in past \_\_\_\_\_ months  
 Remained stable  
 Estimated percentages of owner vs. tenants in neighborhood: \_\_\_\_\_ % owner occupant \_\_\_\_\_ % tenant  
 Normal supply  oversupply  shortage of comparable listings in the neighborhood  
 Approximate number of comparable units for sale in neighborhood: \_\_\_\_\_  
 No. of competing listings in neighborhood that are REO or Corporate owned: \_\_\_\_\_  
 No. of boarded or blocked-up homes: \_\_\_\_\_

## II. SUBJECT MARKETABILITY

Range of values in the neighborhood is \$ \_\_\_\_\_ to \$ \_\_\_\_\_  
 The subject is an  over improvement  under improvement  Appropriate improvement for the neighborhood.  
 Normal marketing time in the area is: \_\_\_\_\_ days.  
 Are all types of financing available for the property?  Yes  No If no, explain \_\_\_\_\_  
 Has the property been on the market in the last 12 months?  Yes  No If yes, \$ \_\_\_\_\_ list price (include MLS printout)  
 To the best of your knowledge, why did it not sell? \_\_\_\_\_  
 Unit Type:  single family detached  condo  co-op  Units #  
 single family attached  townhouse  modular  mobile home  
 If condo or other association exists: Fee \$ \_\_\_\_\_ monthly  annually Current?  Yes  No Fee delinquent? \$ n/a  
 The fee includes:  Insurance  Landscape  Pool  Tennis Other \_\_\_\_\_  
 Association Contact: Name: n/a Phone No.: \_\_\_\_\_

## III. COMPETITIVE CLOSED SALES

ITEM	SUBJECT	COMPARABLE SALE 1			COMPARABLE SALE 2			COMPARABLE SALE 3		
Address		, CA			, CA			, CA		
Proximity / Type of Sale		mi / Fair market			mi / Fair market			mi / Fair market		
Sale Price	\$	\$ 305,000			\$ 312,000			\$ 325,000		
Price/Gross Living Area	\$ /Sq. Ft.	\$ 0 /Sq. Ft.			\$ 0 /Sq. Ft.			\$ 0 /Sq. Ft.		
Data Source	Tax report	MLS #			MLS #			MLS #		
Sale Date & Days on Market		1/1/2001 days			1/1/2001 days			1/1/2001 days		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment			
Sale or Financing Concessions		0		0		0				
Location (city/rural)	suburban	suburban		suburban		suburban				
Leasehold/Fee Simple	Fee	0		0		0				
Lot Size		0		0		0				
View										
Design and Appeal		0		0		0				
Quality of Construction										
Year Built		0		0		0				
Condition										
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths				
Room Count		0 0		0 0		0 0				
Gross Living Area	Sq. Ft.	0 Sq. Ft.		0 Sq. Ft.		0 Sq. Ft.				
Basement & Finished Rooms Below Grade										
Functional Utility										
Heating/Cooling		/		/		/				
Energy Efficient Items										
Garage/Carport		0		0		0				
Porches, Patio, Deck Fireplace(s), etc.										
Fence, Pool, etc.										
Other - HOA dues										
Net Adj. (total)		<input type="checkbox"/> + <input type="checkbox"/> -	\$0	<input type="checkbox"/> + <input type="checkbox"/> -	\$0	<input type="checkbox"/> + <input type="checkbox"/> -	\$0			
Adjusted Sales Price of Comparable	N = Net adjustment G = Gross adjustment	N: 0.0 % G: 0.0 %	\$ 305,000	N: 0.0 % G: 0.0 %	\$ 312,000	N: 0.0 % G: 0.0 %	\$ 325,000			

**IV. MARKETING STRATEGY**

Occupancy Status: Occupied  Vacant  Unknown

As-is  Minimal Lender Required Repairs  Repaired Most Likely Buyer:  Owner occupant  Investor

**V. REPAIRS**

Itemize ALL repairs needed to bring property from its present "as-is" condition to average marketable condition for the neighborhood. Check those repairs you recommend that we perform for most successful marketing of the property.

<input type="checkbox"/>	No repairs needed.	\$	<input type="checkbox"/>	\$
<input type="checkbox"/>	_____	\$	<input type="checkbox"/>	\$
<input type="checkbox"/>	_____	\$	<input type="checkbox"/>	\$
<input type="checkbox"/>	_____	\$	<input type="checkbox"/>	\$
<input type="checkbox"/>	_____	\$	<input type="checkbox"/>	\$

**GRAND TOTAL FOR ALL REPAIRS** \$ 0

**VI. COMPETITIVE LISTINGS**

ITEM	SUBJECT			COMPARABLE LISTING 1			COMPARABLE LISTING 2			COMPARABLE LISTING 3		
Address				, CA			, CA			, CA		
Proximity / Type of Sale				mi / Fair market			mi / Fair market			mi / Fair market		
List Price	\$			\$ 315,000			\$ 300,000			\$ 335,000		
Price/Gross Liv. Area	\$/Sq. Ft.			\$ 0 /Sq. Ft.			\$ 0 /Sq. Ft.			\$ 0 /Sq. Ft.		
Data and/or Verification Sources	Tax report			MLS #			MLS #			MLS #		
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION			+			+		
Sales or Financing Concessions	0			0			0			0		
Days on Market and Date on Market	days			days			days			days		
Location (city/rural)	suburban			suburban			suburban			suburban		
Leasehold/Fee Simple	Fee			0			0			0		
Lot size	0			0			0			0		
View	0			0			0			0		
Design and Appeal	0			0			0			0		
Quality of Construction	0											
Year Built	0			0			0			0		
Condition	0											
Above Grade	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths
Room Count	0	0	0	0	0	0	0	0	0	0	0	0
Gross Living Area	0 Sq. Ft.			0 Sq. Ft.			0 Sq. Ft.			0 Sq. Ft.		
Basement & Finished Rooms Below Grade	0											
Functional Utility	0											
Heating/Cooling	0			/			/			/		
Energy Efficient Items												
Garage/Carport	0											
Porches, Patio, Deck Fireplace(s), etc.	0											
Fence, Pool etc.	0											
Other - HOA Dues	0											
Net Adj. (total)				<input type="checkbox"/> + <input type="checkbox"/> -			\$0			<input type="checkbox"/> + <input type="checkbox"/> -		
Adjusted Sales Price of Comparable	N = Net adjustment			N: 0.0 %			\$ 315,000			N: 0.0 %		
	G = Gross adjustment			G: 0.0 %						G: 0.0 %		

**VII. THE MARKET VALUE (The value must fall within the indicated value of the Competitive Closed Sales).**

	<b>Market Value</b>	<b>Suggested List Price</b>
<b>AS IS</b>	\$ _____	\$ _____
<b>REPAIRED</b>	\$ _____	\$ _____
<b>Last Sale of Subject, Price \$</b>		<b>Date</b>

**VIII. COMMENTS**

(Include specific positives/negatives, special concerns, encroachments, easements, water rights, environmental concerns, flood zones, etc. Attach addendum if additional space is needed.)

Please see Addendum(s).

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Signature: \_\_\_\_\_ Date: \_\_\_\_\_



# FLOOD MAP

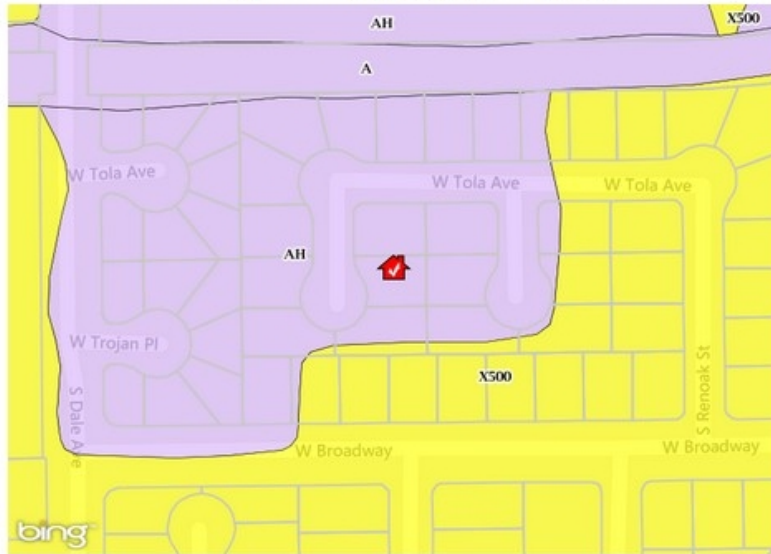
Subject Address:

File/Order #:

## Flood Map Report

For Property Located At:  
Anaheim, CA 92804-2027  
Orange County

Flood Zone Code: \* AH      Flood Zone Panel: 080213-08059C0128J      Panel Date: 12/03/2009



Flood Zones			
■ Coastal 100-year Floodway	■ 100-year Floodway	■ Undetermined	■ 500-year Floodplain incl. levee protected area
■ Coastal 100-year Floodplain	■ 100-year Floodplain	■ Unknown or Area Not Included	■ Out of Special Flood Hazard Area

\* AH = An area inundated by 100-year flooding (usually an area of ponding), for which BFEs have been determined; flood depths range from 1 to 3 feet.

This map/report was produced using multiple sources. It is provided for informational purposes only. This map/report should not be relied upon by any third parties. It is not intended to satisfy any regulatory guidelines and should not be used for this or any other purpose.

[Close Window](#)

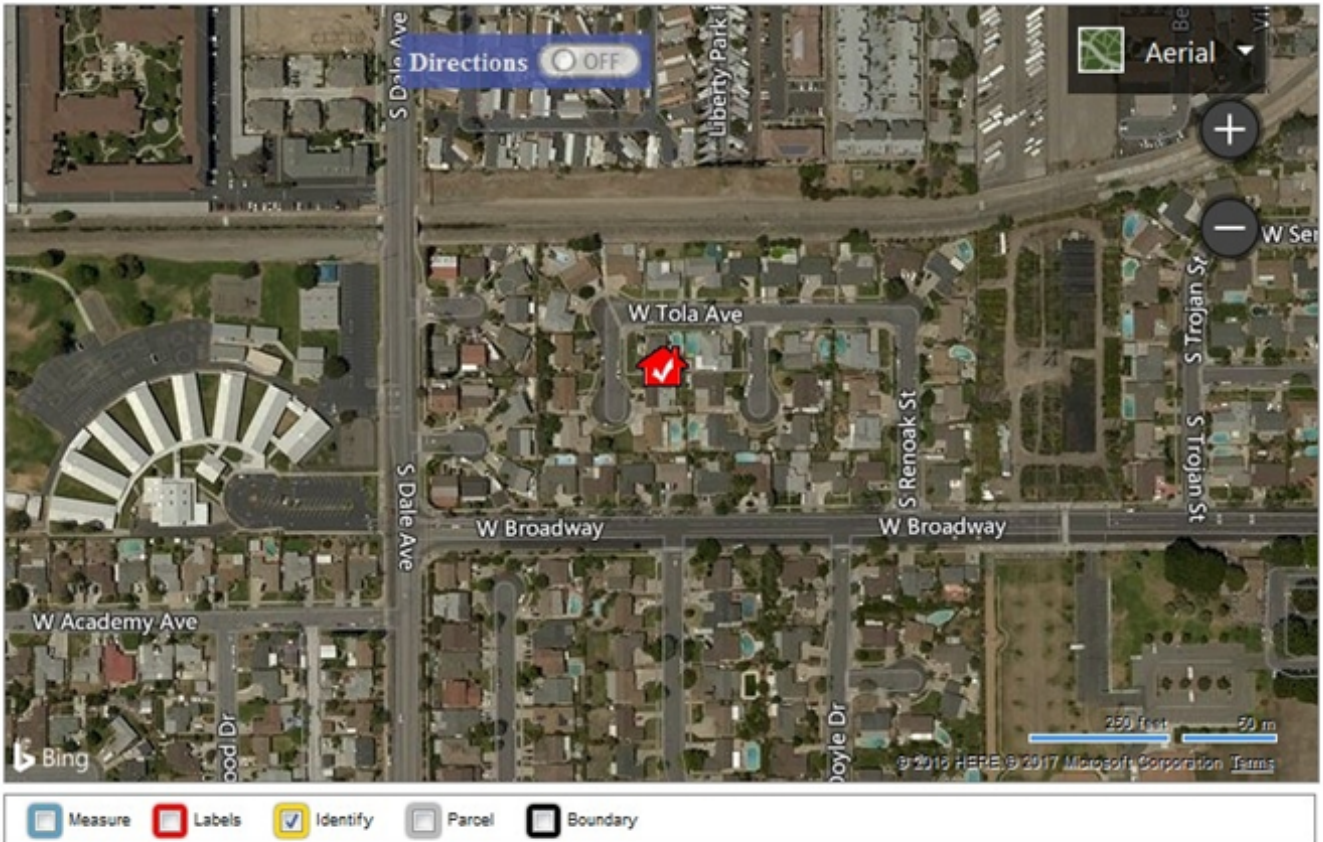
Source: Corelogic-Realist

**SUBJECT AND NEIGHBORHOOD MAP**

Subject Address:

File/Order #:

Realist Map for Property Located At  
  
**Anaheim, CA 92804-2027**  
**Orange County**



NEIGHBORHOOD BOUNDARIES	
NORTH:	SOUTH:
EAST:	WEST:

**ADDENDUM - COMMENTS**

Subject Address:

File/Order #:

Subject property:

Neighborhood:

Neighborhood Prices of Comparable Properties:

No. of listings, active and pending		Ranging from	
No. of sales in last 12 months		Ranging from	

Comp Selection:

Market Conditions:

Value Conclusion Summary:

Zoning:

Reasonable Marketing Time:

Disclaimer(s) and Guarantee(s):

*We guaranty client satisfaction. We will respond to any questions or issues within 30 days of report delivery and make every effort to answer client questions and resolve any issues.*

*Additional general purpose, client specific, or application specific disclaimer(s) or guarantee(s) may be added.*

## OVERVIEW OF BROKER PRICE OPINION (BPO) DEVELOPMENT

The purpose of the overview is to describe the overall framework within which a Broker Price Opinion (BPO) report is prepared for a client (lender, investor, home owner, or a valuation company) when subject property is an existing owner occupied single family residence (SFR).

I. Information that is included in the main body of the report: Subject property's APN, legal description, zone, zone description, zone map year, last market sale, tax assessment data, FEMA flood zone data, prior service by BPO provider if any, report date, effective date, real property interest valued, and subject property characteristics such as gross living area, lot size, year built, #BRs, #BAs, garage, heating, a/c, fireplace, pool, fence, etc. Also summarized are its current agreements of sale, options and listings, and sales within 3 years, its highest and best use, and reasoning that supports analysis, value opinions and conclusions. (If applicable the valuation company's BPO report form is filled in.)

II. Summary of information analyzed: (1) assignment items in the engagement letter, (2) public data sources for subject property including Realist, MLS, city zoning maps, assessor parcel maps, FEMA flood maps, as well as other data sources as needed such as title company profiles, RPR, Corelogic, Zillow, etc., (3) MLS data are used extensively for comparable properties data, land sales, rentals, recent price trends, etc., and (4) many secondary sources such as real estate magazines and websites, government publications and websites, newspapers, etc.

III. Valuation approaches used and explanation of approach(es) excluded: Sales comparison approach is used; cost and income approaches are not used.

Summary of income, sales comparison and cost approaches is provided in next section.

We used sales comparison approach in current assignment as the sales comparison approach is best suited for current valuation. Following is the additional explanation why cost approach and income approach are not used. Cost approach is not used because: (1) sufficient comparable listings and sales are available and therefore sales comparison approach is superior and (2) subject property is not a new construction therefore depreciation estimate that is required in cost approach will be unreliable leading to unreliable value estimate from cost approach. Income approach is not used because subject is an owner occupied property in a neighborhood of predominantly owner-occupied homes. Therefore, income approach is found to be not necessary. (As a passing remark it is noted that for 2-4 unit properties or neighborhoods with significant presence of SFR rentals the income approach will be applicable and necessary)

IV. Summary description of three valuation approaches: In using income approach (or income capitalization approach) value indication is derived by estimating annual income stream from investment property and calculating its present value using a specified yield rate. If the income stream is steady then value of property is simply annual income divided by capitalization rate (or annual income multiplied by income multiplier). When using capitalization rate, one uses the net operating income and when using income multiplier, one uses gross annual (or monthly) income. Income approach is most useful for valuing investment (or income producing or rental) properties.

In using sales comparison approach one considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. In general, a property being valued (a subject property) is compared with sales of similar properties that have been transacted in the open market. Listings and offerings may also be considered. Sales comparison approach has many applications and it is the preferred method for valuing owner occupied single family residences (SFRs).

The cost approach is a set of procedures through which a value indication is derived by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. There is fairly strong agreement in the thought that the cost approach has diminishing applicability as a property ages. Cost approach has many applications and it is the preferred method for valuing public real estate such as libraries, churches, etc.

The principle of substitution is particularly noteworthy as it plays an important role in all three approaches. According to the principle of substitution when several similar or commensurate commodities, goods, or services are available, the one with the lowest price will attract the greatest demand and widest distribution.

V. Prior Service: No prior service of any kind has been rendered for subject property in last 36 months (unless noted otherwise in the BPO report).

VI. Intended user: Intended user is the specific office or department of the client organization that placed the order either directly or with the valuation company. Intended user is noted in the BPO report.

VII. Intended use: Noted in the BPO report.

VIII. Scope of work: The scope of work is defined by the complexity of the assignment as stated in the engagement letter and the reporting requirements of the report form, including the following definition of market value, assumptions, limiting conditions and certification. The scope of work, at a minimum, is to: (1) perform a complete visual inspection of the exterior areas of the subject property from the street (and interior areas if applicable), (2) inspect the neighborhood, (3) research, verify, and analyze data from reliable public and/or private sources, and (4) report analysis, opinions, and conclusions in the submitted report.



IX. Definition of market value: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Source: Used by FNMA, Freddie Mac, etc.)

X. Assumptions and limiting conditions: Certification is subject to the following:

1. Data sources used in the report are believed to be reliable and information and estimates obtained from them are believed to be correct however their accuracy is not guaranteed.
2. Analysis is conducted to support as-is probable sale price (subject's market value). All other values in the report are professional judgments (e.g. as-repaired values, 30 day liquidation value, land value, market rent, etc.) and may or may not have direct analytical support.
3. Any adverse conditions (e.g. needed repairs, obsolescence, presence of hazardous wastes, toxic substances, etc.) that were observed during inspection have been reported. It is assumed that there are no hidden or unapparent such conditions that would make property more or less valuable. However, there is no guarantee and engineering study or testing may be required to discover whether such conditions do exist.
4. Participation in any court proceedings for testimony is not included in the current assignment, unless specific arrangements are made at the time of assignment.
5. Matters of a legal nature that affect either the subject property or the title to it are outside the scope of the assignment. It is also assumed that title is good and marketable.
6. Flood maps that are provided by the Federal Emergency Management Agency are researched to determine the flood zone of subject property and whether it is located in an identified Special Flood Hazard Area (SFHA).

#### CERTIFICATION OF BROKER OR AGENT

The undersigned hereby certifies and agrees that:

1. To the best of my knowledge, the statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the subject property and no personal interest with respect to the parties involved.
4. I have no bias with respect to the subject property or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client.
7. I personally inspected the subject property and took the pictures.
8. No one provided significant real property valuation assistance.

**Shailendra Parikh, GRI**

Licensed Real Estate Broker CA BRE #01758834  
P.O. Box 18832, Anaheim Hills, CA 92817

\_\_\_\_\_  
Signature:

Date:

**PHOTOGRAPHS - SUBJECT PROPERTY**

Borrower:	Order/File #:
Property Address: ,	
Lender:	

**Subject Property – Front (Photo 1)**

	Subject Front View
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**Subject Property – Address Verification (Photo 2)**

	Subject Address Verification
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**Subject Property – Street Scene (Photo 3)**

	Subject Neighborhood Scene
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**PHOTOGRAPHS - SUBJECT PROPERTY (INTERIOR)**

Borrower:	Order/File #:
Property Address: ,	
Lender:	

Interior BPO will include interior and deferred maintenance photos (15-30 photos, 3 photos per page)

**Subject Property – Interior Photos**

	Subject Interior Photo 1
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**Subject Property**

	Subject Interior Photo 2
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**Subject Property**

	Subject Interior Photo 3
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PHOTOGRAPHS - SOLD COMPARABLES

Borrower:	Order/File #:
Property Address: ,	
Lender:	

<b>Sale 1</b>	
	CA date of sale: 01/01/2001 Selling Price: \$305000

<b>Sale 2</b>	
	CA date of sale: 01/01/2001 Selling Price: \$312000

<b>Sale 3</b>	
	CA date of sale: 01/01/2001 Selling Price: \$325000

PHOTOGRAPHS - LISTING COMPARABLES

Borrower:	Order/File #:
Property Address: ,	
Lender:	

<b>Listing 1</b>	
	CA Date Listed: 01/01/2001 Original List Price: \$315000 Current List Price: \$315000

<b>Listing 2</b>	
	CA Date Listed: 01/01/2001 Original List Price: \$300000 Current List Price: \$300000

<b>Listing 3</b>	
	CA Date Listed: 01/01/2001 Original List Price: \$335000 Current List Price: \$335000

MAP OF COMPARABLES

Borrower:	Order/File #:
Property Address: ,	
Lender:	

Subject Property: ,

Sale 1: , CA

Sale 2: , CA

Sale 3: , CA

Listing 1: , CA

Listing 2: , CA

Listing 3: , CA

## Evaluation Content Requirements

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The following evaluation content guidelines are excerpted from, "Interagency Appraisal and Evaluation Guidelines" published in Federal Register / Vol. 75, No. 237 / Friday, December 10, 2010 / Notices, Section XIII.

### Evaluation Content

An evaluation should contain sufficient information detailing the analysis, assumptions, and conclusions to support the credit decision. An evaluation's content should be documented in the credit file or reproducible. The evaluation should, at a minimum:

- ✓ Identify the location of the property.
- ✓ Provide a description of the property and its current and projected use.
- ✓ Provide an estimate of the property's market value in its actual physical condition, use and zoning designation as of the effective date of the evaluation (that is, the date that the analysis was completed), with any limiting conditions.
- ✓ Describe the method(s) the institution used to confirm the property's actual physical condition and the extent to which an inspection was performed.
- ✓ Describe the analysis that was performed and the supporting information that was used in valuing the property.
- ✓ Describe the supplemental information that was considered when using an analytical method or technological tool.
- ✓ Indicate all source(s) of information used in the analysis, as applicable, to value the property, including:
  - External data sources (such as market sales databases and public tax and land records);
  - Property-specific data (such as previous sales data for the subject property, tax assessment data, and comparable sales information);
  - Evidence of a property inspection;
  - Photos of the property;
  - Description of the neighborhood; and
  - Local market conditions.
- ✓ Include information on the preparer when an evaluation is performed by a person, such as the name and contact information, and signature (electronic or other legally permissible signature) of the preparer.

Source: Federal Register

Our Broker Price Opinion (BPO) Report meets or exceeds all of the above evaluation content requirements.

## Definitions of Not Updated, Updated, and Remodeled

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### Not Updated

**Little or no updating or modernization. This description includes, but is not limited to, new homes.**

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical/functional deterioration.

### Updated

**The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.**

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do *not* include significant alterations to the existing structure.

### Remodeled

**Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.**

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of square footage). This would include a complete gutting and rebuild.

Source: FNMA Publications.

## Condition and Quality Ratings

### Condition Ratings

C1	The improvements have been recently constructed and have not been previously occupied. The entire structure and all components are new and the dwelling features no physical depreciation.
C2	The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category are either almost new or have been recently completely renovated and are similar in condition to new construction.
C3	The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.
C4	The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.
C5	The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability are somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.
C6	The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

### Quality Ratings

Q1	Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.
Q2	Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residences constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.
Q3	Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.
Q4	Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.
Q5	Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.
Q6	Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure.

Source: FNMA Publications

### Relationship between Numeric and Descriptive Ratings

	C1, Q1	C2, Q2	C3, Q3	C4, Q4	C5, Q5	C6, Q6
C	Excellent	Good-to-Excellent	Good	Average	Fair	Poor
Q	High Quality Custom	High Quality Tract	Above Standard Tract	Standard	Economy	Basic Quality