UAD 3.6 Lender Implementation Checklist

The Uniform Appraisal Dataset (UAD) 3.6 mandate is rapidly approaching. Lenders must proactively prepare to adapt to the updated requirements and procedures. To ensure a smooth transition, you should focus on several key areas, including software readiness, staff training and coordination with stakeholders. The key to success is a well-thought-out implementation plan, that sets clear expectations with third parties and includes transparent goals and objectives so that everyone knows what they're working toward and how they'll achieve it. Below are essential actions to consider as you gear up for the implementation of UAD 3.6.

Develop an Implementation Plan

The first step is to develop a comprehensive plan for getting to full UAD 3.6 implementation to meet the UAD mandate. It should account for impacts to your business, processes and staff so that everyone understands their role in making the transition successful.

☐	Familiarize yourself with the UAD 3.6 timeline.
☐	Identify potential impacts to your business.

Loan Origination

☐	Review new Loan Product Advisor® (LPA®) messages indicating appraisal report requirements without form numbers.
☐	Identify any other impacts specific to your business.

Order and Receive Appraisal Reports

☐	Update Engagement Letter after review of the new UAD, which now includes common lender overlays.
☐	Assign to appraiser and/or an appraisal management company (AMC).
☐	Develop processes for ordering appraisal reports without form numbers.

Underwriting

☐	Confirm appraisal report received matches what was ordered.
☐	Learn how to review the new report.
☐	Submit to Uniform Collateral Data Portal® (UCDP®) and review feedback/Submission Summary Report (SSR) for exceptions as needed.
☐	Perform risk-based reviews including workflow routing and appraisal quality (e.g., underwriting, pre/post-closing).

Loan Delivery and Servicing

☐	Correspondent Lending: Ensure your investors will accept UAD 3.6, and review their SSR requirements including message severity.

Other Considerations

☐	Operational changes.
☐	Policies and procedures – update to reflect changes in appraisal processes and requirements.
☐	Employee training.
☐	Vendor management: coordinate with all third parties.
☐	New data to consume for upstream and downstream systems integrations.

Train and Test

Once you've identified impacts, you'll need to bring your team up to speed and ensure they receive the proper education and understand the role they'll play in the transition. They'll need time to get used to new process and changes to their day-to-day work.

- ☐ Use training materials and ensure staff are familiar with the new Uniform Residential Appraisal Report (URAR). Resources are available on our UAD webpage.
  - ☐ Take the joint-GSE industry training.
  - ☐ Experience a Freddie Mac-hosted webinar – recorded or live – via Freddie Mac Learning.
  - ☐ Review the Lender Readiness Kit.
  - ☐ Check out job aids and FAQs.
- ☐ Test your process to order a UAD 3.6 appraisal report, follow-up including any statuses during the fulfillment process, receive the completed appraisal, review the appraisal and submit the appraisal to UCDP to ensure compatibility and functionality.
- ☐ Implement and refine processes for ordering appraisals without form numbers.
- ☐ Update policies and procedures to reflect changes in appraisal processes and requirements.
- ☐ Train staff on new policies and procedures.
- ☐ Review and update billing and payment systems as needed.
- ☐ Verify that any operational changes are made and functioning as intended.
- ☐ Order some UAD 3.6 appraisal reports from diverse property types to test and provide early insight to your appraisal review team.
- ☐ Make sure staff understand the new UCDP file requirements and that your systems can accommodate them.

Communicate and Coordinate with Providers

From appraisal software providers to AMCs/appraisers to loan origination system (LOS) vendors and everything in between – other parties are involved in your appraisal process. Your plan should include these third parties and should provide clear expectations and transparent goals and objectives.

- ☐ Identify all the third parties involved in your process. Verify they're ready to support your implementation or that they're on track.
  - ☐ Investors are ready to buy your loans using UAD 3.6 appraisal reports
  - ☐ LOS vendors
  - ☐ AMCs, if applicable
  - ☐ Order management systems, if applicable
  - ☐ Mortgage insurance (MI) companies
  - ☐ Other third parties
- ☐ Share expectations with third parties (e.g., appraisal panel and vendors) for supporting your implementation plan.

☐	Set up ongoing monitoring and check-ins with appraisal panel and vendors to facilitate smooth transition.
☐	Identify a process for escalating issues that might derail your implementation.

Roll Out and Scaling to Full Transition

It can be difficult to just flip a switch and convert all your appraisals to UAD 3.6 at once. The most important thing is to start early, but you can also find success through a small scale roll that allows you to scale with confidence.

☐	Identify all the third parties involved in your process. Verify they're ready to support your implementation or that they're on track.
☐	Start ordering early. Early adoption can prevent liquidity challenges and reduce headaches, costs and delays.
☐	Once you're comfortable with the outcomes from your rollout, scale so that you can fully transition to UAD 3.6 before the mandate.
☐	Finalize and submit your UAD 2.6 pipeline prior to the November mandate and to ensure compliance with the UAD 2.6 retirement date.

Taking the above steps can help set you and your staff up for a successful UAD 3.6 implementation. You're not in this alone. If you have questions, we're here to help. You can submit general UAD questions to UAD@FreddieMac.com; and if you have more specific questions, contact your Freddie Mac representative or Customer Service (800-FREDDIE).