



3 WAYS TO *resolve* UNDER APPRAISALS

So the appraisal came in low, now what?

NEGOTIATE THE DIFFERENCE

- This is the fastest option, but may not be feasible
- If the gap is manageable and buyer/seller don't have time to waste or don't want to risk the same outcome again, the buyer and seller can try to agree upon how to get the difference paid- each party can contribute some toward the gap or one of the parties can cover the difference to just keep moving ahead.

CHALLENGE THE APPRAISAL

- **When this might work:** When the number is very close to the necessary number, and you look at the comparables and there is a relevant sale that is missing OR there is some sort of error in the data
- **When it likely won't work:** If you have no new data or no different comparable sales information to reference that was missed or overlooked
- **Pros and Cons:** this method is essentially us communicating to the appraiser that they are bad at their job. There can be ego involved and has to be done very gently.
- **Cost:** Free
- **Time:** May take a day or two of analysis from the agents and then another 3-4 days with the appraiser to review it.
- **Likelihood of success:** Low, unless there is data discrepancy

NEW LENDER & APPRAISER

- **When this might work:** This is generally going to be the best option if there is a little time flexibility. If there is a large gap in numbers, this is the route to make sure you receive an actual fair appraisal
- **Process:** You need to RE-apply for a loan with a new lender (the buyer will have to front the appraisal cost again, but it can be negotiated as to who pays for it) and you need the time for a new appraiser to come out and a new report to be furnished. Will likely add 2-3 weeks to the process.
- **Pros:** This has generally proven to be very successful, assuming the price isn't WAY off market value
- **Cons:** This adds time, expense, and has no guarantee of success- it could result in another appraisal with another gap
- **Cost:** Someone will need to pay for the second appraisal cost usually \$450 to \$650.
- **Time:** Could add 3-4 weeks.

Our team will guide you through this process but here are a few variations of how we overcome this issue in the past.

