

## **Spectrum – Canada Mortgage Services Inc. (“Spectrum”)**

### **Frequently Asked Questions – Appraisals**

**Q: What is an appraisal?**

**A:** An appraisal is a report prepared by a licensed appraiser. For our purposes, these reports specifically aim to establish a market value of your property for financing.

**Q: Why do I need an appraisal?**

**A:** An appraisal report is the most common requirement that lenders stipulate, that must be fulfilled to fund your mortgage.

**Q: What do lenders look for in appraisals?**

**A:** Lenders make their lending decisions based on information contained in the appraisal report, such as interior and exterior photographs, market value of the property, neighbourhood trends, and other relevant notes.

**Q: When do I need the appraisal?**

**A:** With very specific exceptions to the rule, the appraisal report needs to be received, reviewed, and approved by the lender before funding can take place. The appraisal is generally ordered once a conditional written approval has been issued by a lender. In some cases, the appraisal is required at the beginning of the loan process before lenders will consider lending against the property.

**Q: Can I have a copy of the appraisal?**

**A:** Appraisals are made for very specific requests and for specific recipients, and as a result must specify their purposes and to whom they are made out. Unfortunately, we cannot share copies of the final reports. Among other reasons, there is information and photographs of other homeowners’ properties which are protected by privacy legislation.

**Q: Who conducts the appraisal?**

**A:** A licensed appraiser, and in most cases, an appraiser that is on the lender’s approved list of appraisers. Not every lender will accept a report from every appraiser.

**Q: How do we get an appraisal?**

**A:** Spectrum will order the appraisal, and then the appraiser will contact you to collect payment and to schedule an appointment. Once the appraiser visits your property, the report in usual circumstances can be expected within a few days. However, market conditions and the location of the property can affect the timing of the report.

**Q: How can I prepare for the appraisal?**

**A:** The best way to prepare for an appraisal is to treat the appointment as if you were preparing for an “open house,” or for a potential buyer to visit your home. Having the interior and exterior of your home as tidy as possible will result in the maximum appraised value of your home, and in most cases will reduce the length of the appraisal appointment.

**Q: How can I pay for it?**

**A:** The process does vary slightly between appraisers. The most common method of payment is a credit card payment online through a secure payment platform, though some companies have accepted e-transfers or debit cards upon request.

This FAQ sheet is intended to cover the most frequent questions surrounding appraisals, but it is not a comprehensive description of all aspects of obtaining an appraisal. Spectrum’s Mortgage Advisors are always happy to answer any questions you may have or go over anything you like in more detail.