

Northstar Appraisal  
 400 Riverside Street  
 Unit B4  
 Portland, ME 04103

Telephone Number: 207-878-2903 Fax Number: 207-878-2679

**TO:**

Residential Mortgage Services  
 24 Christopher Toppi Drive  
 South Portland, ME 04106

Telephone Number: 207-775-6105  
 Alternate Number:

Fax Number: 207-775-4819  
 E-Mail:

**DESCRIPTION**

Lender: Residential Mortgage Services  
 Purchaser/Borrower: GRECO, Michaela D  
 Property Address: 120 Allen Avenue  
 City: Portland  
 County: Cumberland  
 Legal Description: CCRD Book 22830 Page 209

Client: Residential Mortgage Services

State: ME

Zip: 04103-3806

**FEES**

3 Unit 1025 FHA w/1004MC

**AMOUNT**

625.00

**SUBTOTAL**

625.00

**PAYMENTS**

**AMOUNT**

Check #:  
 Check #:  
 Check #:

Date:  
 Date:  
 Date:

Description:  
 Description:  
 Description:

0.00

**SUBTOTAL**

**TOTAL DUE \$**

625.00

**INVOICE NUMBER**

10011201M

**DATE**

1/12/2010

**REFERENCE**

Internal Order #: 10011201M  
 Lender Case #: GRECO  
 Client File #: 231-1056352  
 Main File # on form: GRECO  
 Other File # on form: 01-0537605  
 Federal Tax ID: NORTHSTAR APPRAISAL  
 Employer ID:

Date of Valuation  
12/23/2009

120 Allen Avenue  
CCRD Book 22830 Page 209  
Portland, ME 04103-3806

For

Residential Mortgage Services  
24 Christopher Toppi Drive  
South Portland, ME, 04106

**TABLE OF CONTENTS**

Invoice .....	1
Small Income .....	2
Market Conditions Addendum to the Appraisal Report .....	9
Operating Income Statement .....	10
Building Sketch (Page - 1) .....	12
Location Map .....	13
Subject Photos .....	14
Subject Photos .....	15
Comparable Photos 1-3 .....	16
Addendum .....	17

Legal Description: CCRD Book 22830 Page 209  
Assessor's Parcel #: 342-B-014

Tax Year 2010 R.E. Taxes \$ 5,007.00  
Map Reference NAVTEQ/GDT Census Tract 0021.01

Neighborhood Name: North Deering/Morrills Corner  
Special Assessments \$ N/A HOA \$ N/A per year per month  
Occupant: Owner Tenant Vacant  
Property Rights Appraised: Fee Simple Leasehold Other (describe)  
Assignment Type: Purchase Transaction Refinance Transaction Other (describe)

Lender/Buyer: Residential Mortgage Services  
Address: 24 Christopher Toppi Drive, South Portland, ME 04106  
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No  
Report data source(s) used, offering price(s), and date(s): MREIS MLS#915439 subject listed \$329,900 - \$309,000 10/29/2008 expired 10/04/2009. The subject property is not currently listed on the open market as per MREIS MLS for this purchase transaction.

did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. The appraiser has reviewed the purchase and sale agreement and noted no adverse conditions.

Contract Price \$ 285,000 Date of Contract 12/13/2009 Is the property seller the owner of public record? Yes No Data Source(s) Municipal Public Rec.  
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No  
If Yes, report the total dollar amount and describe the items to be paid. 5,000 Seller concession \$5000 noted as per purchase and sale agreement  
is a typical condition and concession of financing and has been considered by the appraiser.

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		2-4 Unit Housing Trends		2-4 Unit Housing		Present Land Use %		
Location	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	55 %	
Built-Up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input checked="" type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	10 %	
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	150	Low	Multi-Family	10 %	
Neighborhood Boundaries	North Deering to Morrills Corner neighborhood generally defined and bound by 450+ High 175+ Commercial 10 %						Other	Vac. 15 %

Walton Street to the south, Canco Road to the east, Interstate 95 to the west and city lines to the north. 285 Pred. 80  
Neighborhood Description: North Deering to Morrills Corner is a suburban neighborhood of overall average market appeal. Access to neighborhood schools, shopping and support services and employment centers in Portland and South Portland is convenient and within 1-5 miles. Present land use is typical and similar to and consistent with competing neighborhoods with residential as the primary use and market accepted secondary mixed-use commercial influences. Competing neighborhoods are dispersed. No unfavorable factors affecting marketability noted.

Market Conditions (including support for the above conclusions): Local real estate markets have slowed the past 1-3 years following national market trends of reductions in units sold and areas of declining values. These trends can be quite significant in some submarkets within the past 3-12 months following the national economic recession. Some submarkets remain generally stable as properties may continue to sell at or within 1-5% of previous sale prices of the past 1-4 years. REO/Foreclosure properties are present but generally compete within their own submarket.

Dimensions: 50 feet road frontage per city maps Area .115 acres per city Shape Rectangular View Neighborhood  
Specific Zoning Classification: R-5 - Residential Zoning Description: 6000 sq.ft., 3000 sq.ft. per unit and 50 feet road frontage min. size req.

Zoning Compliance:  Legal  Legal Nonconforming (Grandfathered Use)  No Zoning  Illegal (describe)  
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe Grandfathered improvements on legally nonconforming lots can be rebuilt on same footprint within one year.

Utilities: Public Other (describe) Off-site Improvements - Type Public Private  
Electricity  Water  Street Paved Asphalt   
Gas  Sanitary Sewer  Alley None   
FEMA Special Flood Hazard Area:  Yes  No FEMA Flood Zone: X FEMA Map #: 2300510007C FEMA Map Date: 12/8/1998  
Are the utilities and/or off-site improvements typical for the market area? Yes No If No, describe  
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe

General Description		Foundation		Exterior Description		materials/condition		Interior		materials/condition	
Units	<input type="checkbox"/> Two <input checked="" type="checkbox"/> Three <input type="checkbox"/> Four	Concrete Slab	<input type="checkbox"/> Crawl Space	Foundation Walls	Prd Conc&Block/Avg.	Floors	HW/Tile/Avg-Gd	Floors	HW/Tile/Avg-Gd		
# of Stories	2.5 # of bldgs. 1	Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls	Vinyl/Average+	Walls	Drywall/Avg-Gd	Trim/Finish	Wood/Average+		
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area	1,300 sq.ft.	Roof Surface	Asphalt/Single/Gd-	Bath Floor	Tile/Average+	Bath Wainscot	Fiberglass/Avg.		
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	<input checked="" type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Basement Finish	Unit #3 in GBA %	Gutters & Downspouts	Aluminum/Average	Doublehung/Avg-Gd	Insulated/Avg-Good	Car Storage			
Design (Style)	Woodframe	Evidence of	<input type="checkbox"/> Infestation	Window Type	Storm Sash/Insulated	Screens	Avg-Good				
Year Built	+/- 1930	Dampness	<input type="checkbox"/> Settlement	Heating/Cooling	Amenities	Fireplace(s) #	2	Woodstove(s) #			
Effective Age (Yrs)	15-20	Other EBB	Fuel Oil/Electric	Pool	Other Shed	Washer/Dryer					
Attic	<input type="checkbox"/> None <input checked="" type="checkbox"/> Stairs <input checked="" type="checkbox"/> Scuttle	Individual	<input type="checkbox"/> Other	Disposal	1 Bath(s)	1,300	Square Feet of Gross Living Area				
Drop Stair	<input checked="" type="checkbox"/> Finished <input checked="" type="checkbox"/> Heated	3 Bedrooms	3 Bedrooms	1 Bath(s)	1,892	Square Feet of Gross Living Area					
Floor		4 Bedrooms	4 Bedrooms	2 Bath(s)	576	Square Feet of Gross Living Area					
Finished		1 Bedrooms	1 Bedrooms	1 Bath(s)		Square Feet of Gross Living Area					
Refrigerator	3	3 Bedrooms	3 Bedrooms	1 Bath(s)		Square Feet of Gross Living Area					
Range/Oven	3	6 Rooms	6 Rooms	1 Bath(s)		Square Feet of Gross Living Area					
Appliances		8 Rooms	8 Rooms	2 Bath(s)		Square Feet of Gross Living Area					
Unit # 1 contains:		3 Rooms	3 Rooms	1 Bath(s)		Square Feet of Gross Living Area					
Unit # 2 contains:		Rooms	Rooms								
Unit # 3 contains:											
Unit # 4 contains:											

Additional features (special energy efficient items, etc.): 20 x 20 foot oversized attached one car finished garage; 8 x 23 foot front enclosed porch; 6 x 11 foot open masonry entry porch; 6 x 11 foot enclosed porch; 7 x 13 foot enclosed entry; 8 x 20 foot shed. Two subject fireplaces have been considered a quality/appeal amenity and have not been specifically adjusted for as an additional feature.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject has been adequately maintained and exhibits overall average to good condition as a result of periodic maintenance and interior and exterior cosmetic and system updates. Overall quality of construction, finish and appeal is average to good and includes: extensive hardwood and ceramic tile flooring; two brick fireplaces; built-ins; ceiling fans; wood doors; period features; etc.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)?  Yes  No If No, describe.

Is the property subject to rent control?  Yes  No If Yes, describe

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.

FEATURE	SUBJECT	COMPARABLE RENTAL # 1	COMPARABLE RENTAL # 2	COMPARABLE RENTAL # 3
Address	120 Allen Avenue Portland, ME 04103-3806	22 Fessenden Street Portland	548 St. John Street Portland	731 Washington Avenue Portland
Proximity to Subject		2.12 miles	2.20 miles	1.46 miles
Current Monthly Rent	\$ 1,900	\$ 2,200	\$ 2,865	\$ 1,230
Rent/Gross Bldg. Area	\$ 0.50 sq.ft.	\$ 0.75 sq.ft.	\$ 1.29 sq.ft.	\$ 0.35 sq.ft.
Rent Control	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Data Source(s)	Owner/Broker	MREIS MLS# 928665	MLS#948723/MunicipalPublicRec	MLS#880966/MunicipalPublicRec
Date of Lease(s)	1 Year and/or TAW	1 Year and/or Tenant At Will	1 Year and/or Tenant At Will	1 Year and/or Tenant At Will
Location	Suburb/Average	Suburb/Average	Suburb/Average	Suburb/Average
Actual Age	+/- 80 years	99 years	68 years	109 years
Condition	Avg-Good	Avg-Good	Avg-Good	Avg-Good
Gross Building Area	3,768	2,931	2,216	3,475
Unit Breakdown	Rm Count Tot Br Ba 3 768 5 2 1	Size Sq. Ft. 1,266 \$ 1,050 4 2 1	Rm Count Tot Br Ba 2 216 4 2 1	Size Sq. Ft. 784 \$ 850 6 3 1
Unit # 1	6 3 1	1,266 \$	2,200 Tot Br Ba 2 216	2,865 Tot Br Ba 3 475
Unit # 2	8 4 2	1,892 7 3 1	1,150 3 1 1	715 8 4 1
Unit # 3	3 1 1	576	3 1 1	700
Unit # 4			2 1 1	600
Utilities Included	Water/Sewer/Heat	Water/Sewer	Water/Sewer/Heat	Water/Sewer/Heat
Other	1 Car Att. Garage	On Site Parking	Offstreet Parking	On Site Parking
	4Porch/Shed	3Porch/Shed	None	4Porch/2Shed

Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.). Variances in demonstrated rents due primarily to differences in location, condition, size, bedroom and bath count, amenities, offstreet parking and included utilities. Comparable Rental #1 demonstrates rents for three bedroom units which do not include heat. Comparable Rental #2 demonstrates rents for one bedroom units which include heat. Comparable Rental #3 demonstrates rents for four bedroom units which do not include heat and are inferior in bath count.

**Rent Schedule:** The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

Unit #	Lease Date	Begin Date	End Date	Actual Rents			Opinion of Market Rent		
				Per Unit		Total Rents	Per Unit		Total Rents
				Unfurnished	Furnished		Unfurnished	Furnished	
1	06/01/2009	06/01/2010	\$ 1,200	\$	\$ 1,200	\$ 1,200	\$	\$ 1,200	
2	Vacant		Vacant			1,300		1,300	
3	TAW		TAW			700		700	
4									
Comment on lease data All actual rent data provided by the owner and broker. Leases have not been reviewed.				Total Actual Monthly Rent	\$ 1,900	Total Gross Monthly Rent	\$ 3,200		
Utilities included in estimated rents <input type="checkbox"/> Electric <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Sewer <input type="checkbox"/> Gas <input checked="" type="checkbox"/> Oil <input type="checkbox"/> Trash collection <input type="checkbox"/> Cable <input type="checkbox"/> Other				Other Monthly Income (itemize)	\$	Other Monthly Income (itemize)	\$		
Comments on actual or estimated rents and other monthly income (including personal property) All actual rental data provided by the owner and broker. Leases have not been reviewed. Actual and estimated rents include water and sewer and heat with tenants paying their own electric. The estimated market rents are supported by comparable rentals when adjusted for market differences. Tenant paid electric heat for Unit #2 on the third floor and Unit #3 in the basement is considered nominal overall and not unfavorable or adverse to marketability or market value with no adjustment warranted.				Total Actual Monthly Income	\$ 1,900	Total Estimated Monthly Income	\$ 3,200		

I did  did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research  did  did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) MREIS MLS & Municipal Public Records

My research  did  did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) MREIS MLS & Municipal Public Records

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer	None	None	09/30/2008	None
Price of Prior Sale/Transfer	N/A per MREIS MLS &	N/A per MREIS MLS &	\$195,000 per MLS#901181	N/A per MREIS MLS &
Data Source(s)	Municipal Public Records	Municipal Public Records	Municipal Public Records	Municipal Public Records
Effective Date of Data Source(s)	12/23/2009	12/23/2009	12/23/2009	12/23/2009
Analysis of prior sale or transfer history of the subject property and comparable sales Per MREIS and municipal public records, the subject property has not sold or transferred within the past three years. No prior sales or transfers within one year noted for the comparable sales.				

PRIOR SALE HISTORY

Address	120 Allen Avenue Portland, ME 04103-3806	21 Eleanor Street Portland 0.26 miles	1439 Congress Street Portland 2.38 miles	731 Washington Avenue Portland 1.46 miles
Proximity to Subject				
Sale Price	\$ 285,000	\$ 307,000	\$ 296,000	\$ 288,579
Sale Price/Gross Bldg. Area	\$ 75.64 sq.ft.	\$ 86.58 sq.ft.	\$ 70.78 sq.ft.	\$ 83.04 sq.ft.
Gross Monthly Rent	\$ 3,200	\$ 2,970	\$ 3,300 (est.)	\$ 2,330 (est.)
Gross Rent Multiplier	89.06	103.37	89.70	123.85
Price per Unit	\$ 95,000	\$ 102,333	\$ 98,667	\$ 144,290
Price per Room	\$ 16,765	\$ 17,056	\$ 15,579	\$ 20,613
Price per Bedroom	\$ 35,625	\$ 51,167	\$ 29,600	\$ 41,226
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Data Source(s)	MREIS MLS# 927184	MREIS MLS# 921769	MREIS MLS# 880966	MREIS MLS# 880966

VALUE ADJUSTMENTS	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment
Sale or Financing	FHA		Conventional		Conventional	
Concessions	None Applied		None Applied		None Applied	
Date of Sale/Time	10/02/2009		12/08/2009		03/16/2009	
Location	Suburb/Average		Suburb/Average		Suburb/Average	
Leasehold/Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	1.15 acres per city	-1,940	.122 acres	Nominal	.342 acres	-2,270
View	Neighborhood		Neighborhood		Neighborhood	
Design (Style)	Woodframe		Woodframe		Woodframe	
Quality of Construction	Avg-Good		Avg-Good		Avg-Good	
Actual Age	+/- 80 years	Nominal	94 years	Nominal	109 years	Nominal
Condition	Avg-Good		Avg-Good		Avg-Good	

Gross Building Area	3,768	3,546	4,182	3,475
Unit Breakdown	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths
Unit # 1	6 3 1 6 2 1	6 3 1 6 3 1	6 3 1 6 3 1	6 3 1 6 3 1
Unit # 2	8 4 2 6 2 1	+7,500 6 3 1	+5,000 8 4 1	+2,500 8 4 1
Unit # 3	3 1 1 6 2 1	-2,500 7 4 1	-7,500	+5,000
Unit # 4				

Basement Description	Full Basement	Full Basement	Full Basement	Full Basement
Basement Finished Rooms	Unit #3 in GBA	Unfinished Utility	Unfinished Utility	Unfinished
Functional Utility	Average	Average	Average	Average
Heating/Cooling	FHW/EBB/None	FHW/None	FHW/None	FHW/None
Energy Efficient Items	None	None	None	None
Parking On/Off Site	1CarAtt.Gar.OvrSz	Offstreet Parking	Offstreet Parking	Offstreet Parking
Porch/Patio/Deck	4 Porches/Shed	4Porch/3Shed	4 Porch	500 4Porch/2Shed

Net Adjustment (Total)	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 6,780	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 6,140	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ -	\$ 7,660
Adjusted Sale Price of Comparables	Net 2.2 %		Net 2.1 %		Net 2.7 %		
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)	Gross 7.1 %	\$ 313,780	Gross 7.1 %	\$ 289,860	Gross 8.2 %	\$ 296,239	
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)		\$ 104,593		\$ 96,620		\$ 148,120	
Adjusted Price Per Bedroom (Adj. SP Comp / # of Comp Bedrooms)		\$ 17,432		\$ 15,256		\$ 21,160	
Value per Unit	\$ 99,000 X 3	Units = \$ 297,000	Value per GBA \$ 79 X	3,768	GBA = \$	297,672	
Value per Rm.	\$ 16,000 X 17	Rooms = \$ 272,000	Value per Bdrms. \$ 37,000 X	8	Bdrms. = \$	296,000	

Summary of Sales Comparison Approach including reconciliation of the above indicators of value:  
 utility. Bedrooms adj. \$2500 each. Full bath differential adj. \$2500. GBA adj. \$10 per sq.ft. No unit adjustments warranted due to the GBA and room count adjustments. Full, unfinished basement utility adj. \$2000. Car storage adj. \$2000 per oversized attached bay. Porches and sheds adj. \$500 each. The appraiser acknowledges two comparable sales exceed one mile from the subject due to a lack of more similar, recent sales of three unit properties in the subject's immediate neighborhood. The data utilized represents the best and most recent available for comparison. All comparable sales given consideration in the final estimate of value. The appraiser acknowledges Comp. #3, a two unit dwelling, was included for comparison due to its similar location and similar four bedroom unit utility.

Indicated Value by Sales Comparison Approach \$ 295,000  
 Total gross monthly rent \$ 3,200 X gross rent multiplier (GRM) 93 = \$ 297,600  
 Comments on income approach including reconciliation of the GRM: The Income Approach is supportive but has not been weighted due to estimated rents for the subject and/or comparables due to vacancy, owner occupancy and/or below market rents.

Indicated Value by: Sales Comparison Approach \$ 295,000 Income Approach \$ 297,600 Cost Approach (if developed) \$  
 The Income Approach is relatively supportive but has not been weighted due to estimated subject and/or comparable rents due to vacancy, owner occupancy and/or below market rents. The Cost Approach has been considered but not applied as per FHA guidelines due to lack of applicability due to existing older construction. The Sales Comparison Approach has been weighted in the final reconciliation of value due to the reliability of market data.

This appraisal is made  "as is",  subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed,  subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or  subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair.

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions and appraiser's certification, my (our) opinion of the market value as defined at the real property that is the subject of this report is

be expanded and defined to include the greater community neighborhood and/or dispersed competitive property submarkets.

No personal property or nonrealty items included in the final estimate of value.

The subject property meets HUD/FHA minimum standards.

The appraiser estimates monthly taxes at \$418 and monthly homeowner's hazard insurance at \$45.

The appraiser notes the subject region is experiencing a slow sales market where a significant reduction in sales activity was noted during the last quarter of 2008. This reduction in sales activity was due most directly to the national economic financial crisis, the national credit crisis and national recession. Presently, approximately one year since the financial crisis and most severe shocks of the national recession, some regional submarkets are showing stable values and increasing sales activity as 2009 has progressed through the fourth quarter. Some regional submarkets are showing declining values or continued declining values. In some regional submarkets, market data is too little, too varied and/or too inconsistent to identify a trend.

The appraiser notes declining value adjustments in the direct sales comparison approach have been applied to comparable sales sold within the past 0 - 10 months as the limited comparable sale data available within the past 0 - 10 months does not present adequate or reliable data to determine a consistent or quantifiable trend of declining values in the subject submarket in terms of properties similar to the subject in neighborhood/location and/or property type.

Due to a lack of more similar, recent market data in the city of Portland in the subject's three unit submarket and price range, the appraiser was required to use one two comparable sales which exceed one mile from the subject and one comparable sale which exceeds six months since the date of sale. Additionally, three comparable rentals exceed one mile from the subject and two unit and four unit comparable rentals were utilized. The data utilized represents the best and most recent available for comparison. All comparable sales given consideration in the final estimate of value.

The appraiser acknowledges Comp. #3, a two unit dwelling which exceeds six months since the date of sale and one mile from the subject due to a lack of more similar, recent three unit comparable sales available in the subject city within the past year, was included for comparison due to its similar location and similar four bedroom unit.

ADDITIONAL COMMENTS

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) Site value estimate is based on a review of area land sales and listings of which include: MLS#928126, 573 Allen Avenue, Portland, .17 acres, sold \$40,000 08/06/2009. MLS#954723, Morse Street, Portland, .24 acres, sold \$60,000. MLS#95724, 395 Allen Avenue, Portland, .23 acres, currently listed \$79,000. Site value estimate is also generally verified with the subject's current municipal site assessment and current market/assessment ratio.

ESTIMATED  REPRODUCTION OR  REPLACEMENT COST NEW

OPINION OF SITE VALUE ..... = \$ 50,000  
DWELLING Sq. Ft. @ \$ ..... = \$

Source of cost data Effective date of cost data

Sq. Ft. @ \$ ..... = \$

Comments on Cost Approach (gross living area calculations, depreciation, etc.)

Sq. Ft. @ \$ ..... = \$

Garage/Carport Sq. Ft. @ \$ ..... = \$

Total Estimate of Cost-New

Sq. Ft. @ \$ ..... = \$

Less Physical Functional External

Depreciation

Depreciated Cost of Improvements ..... = \$( )

"As-is" Value of Site Improvements ..... = \$

COST APPROACH

Estimated Remaining Economic Life (HUD and VA only)

40-45 Years

INDICATED VALUE BY COST APPROACH ..... = \$ 50,000

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)?  Yes  No Unit type(s)  Detached  Attached  
Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project N/A

Total number of phases N/A

Total number of units N/A

Total number of units sold N/A

Total number of units rented N/A

Total number of units for sale N/A

Data source(s) N/A

Was the project created by the conversion of existing building(s) into a PUD?  Yes  No

If Yes, date of conversion. N/A

Does the project contain any multi-dwelling units?  Yes  No

Data Source N/A

Are the units, common elements, and recreation facilities complete?  Yes  No

If No, describe the status of completion. N/A

PUD INFORMATION

Are the common elements leased to or by the Homeowners' Association?  Yes  No

If Yes, describe the rental terms and options. N/A

Describe common elements and recreational facilities. N/A

This appraisal report is subject to the following scope of work, intended use, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

**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 or she considers his or her 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.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements, including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that



secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.


24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

**SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

**APPRAISER**

Signature 

Name Timothy S. Kelly

Company Name Northstar Appraisal

Company Address 400 Riverside Street, Unit B4  
Portland, ME 04103

Telephone Number 207-878-2903

Email Address tfarnham@maine.rr.com

Date of Signature and Report 01/12/2010

Effective Date of Appraisal 12/23/2009

State Certification # CR739

or State License # \_\_\_\_\_ State # \_\_\_\_\_

or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_

State ME

Expiration Date of Certification or License 12/31/2010

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature \_\_\_\_\_

Name \_\_\_\_\_

Company Name \_\_\_\_\_

Company Address \_\_\_\_\_

Telephone Number \_\_\_\_\_

Email Address \_\_\_\_\_

Date of Signature \_\_\_\_\_

State Certification # \_\_\_\_\_

or State License # \_\_\_\_\_ State \_\_\_\_\_

Expiration Date of Certification or License \_\_\_\_\_

**SUBJECT PROPERTY**

- Did not inspect subject property
- Did inspect exterior of subject property from street
- Date of Inspection \_\_\_\_\_
- Did inspect interior and exterior of subject property
- Date of Inspection \_\_\_\_\_

**ADDRESS OF PROPERTY APPRAISED**

120 Allen Avenue

Portland, ME 04103-3806

APPRAISED VALUE OF SUBJECT PROPERTY \$ 295,000

**LENDER/CLIENT**

Name \_\_\_\_\_

Company Name Residential Mortgage Services

Company Address 24 Christopher Toppi Drive, South Portland, ME  
04106

**COMPARABLE SALES**

- Did not inspect exterior of comparable sales from street
- Did inspect exterior of comparable sales from street
- Date of Inspection \_\_\_\_\_

Borrower GRECO, Michaela D

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis

Table with columns: Total # of Comparable Sales (Settled), Absorption Rate (Total Sales/Months), Total # of Comparable Active Listings, Months of Housing Supply (Total Listings/Ab.Rate), Median Sale & List Price, DOM, Sale/List %, Median Comparable Sale Price, Median Comparable Sales Days on Market, Median Comparable List Price, Median Comparable Listings Days on Market, Median Sale Price as % of List Price. Rows include data for Prior 7-12 Months, Prior 4-6 Months, Current - 3 Months, and Overall Trend.

Seller-(developer, builder, etc.)paid financial assistance prevalent? Yes No Explain in detail the seller concessions trends for the past 12 months (e.g. seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). Seller concession trends for the past 12 months have remained generally stable and essentially unchanged in the subject submarket. Seller concessions of up to 5% are typical. Seller concessions of more than 5% are not typical.

\*The market sample (\*) included for statistical analysis in this appraisal is defined broadly to include all 2-4 unit properties in the subject city of Portland (Approx. Pop. +/- 65,000) in the \$250,000 - \$375,000 price range excluding properties located on the urban Portland peninsula. This search reported a total of approximately 41 units and does not include expired or withdrawn listings. To collect a sample size large\*\* Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties).

Foreclosure sales are not a significant factor in the subject submarket as foreclosure or REO properties generally compete within their own market. While not significant, foreclosure sales do compete in the subject submarket and are a factor in the overall market and have increased as a percentage of sales activity in both the subject submarket and the overall market during the past 12-24 months. \*\*large enough for practice and relevant statistical application and analysis, this sample area was extended beyond the subject's immediate neighborhood as defined on page one of this appraisal (Page 1 of 7 1025) due to a lack of adequate, similar sales and/or listings in the subject's immediate neighborhood. Cite data sources for above information. MLS statistics and charts. Local news media. Observation and data collection associated with appraisal files. State economic and planning information including employment, retail sales and statewide real property sales data. Various finance industry sources relative to rate and credit issues. Appraisal Institute published and on-line data. Additional sources not cited.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions. The statistics reported above are calculated through the specific MREIS MLS/Excel program designed and implemented by MREIS MLS specifically for the 1004MC form and are derived from the market sample (\*) identified above. The appraiser notes the following overall market trends interpolated from the reported statistics derived from the identified market sample(\*): stable sales volume and absorption rates yearly overall; stable listing inventory yearly overall; stable months of housing supply yearly overall; stable median sale prices yearly overall; stable median sales DOM yearly overall; stable median list prices yearly overall; stable median listings DOM yearly overall; stable median list to sale ratios yearly overall. Overall trends in the subject market appear stable yearly overall. These trends are deemed relevant and applicable to the subject property, subject neighborhood and subject submarket. See Page 1 of 7 1025 regarding declining value adjustments to comparable sales.

If the subject is a unit in a condominium or cooperative project, complete the following: N/A

Table with columns: Subject Project Data, Total # of Comparable Sales (Settled), Absorption Rate (Total Sales/Months), Total # of Active Comparable Listings, Months of Unit Supply (Total Listings/Ab.Rate). Rows include data for Prior 7-12 Months, Prior 4-6 Months, Current - 3 Months, and Overall Trend.

Are foreclosure sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties. N/A

Summarize the above trends and address the impact on the subject unit and project. N/A

Signature

Appraiser Name

Company Name

Company Address

State License/Certification #

Signature

Supervisory Appraiser Name

Company Name

Company Address

State License/Certification #

State

General Instructions: This form is to be prepared jointly by the loan applicant, the appraiser, and the lender's underwriter. The applicant must complete the following schedule indicating each unit's rental status, lease expiration date, current rent, market rent, and the responsibility for utility expenses. Rental figures must be based on the rent for an "unfurnished" unit.

Table with columns: Unit No., Currently Rented, Expiration Date, Current Rent Per Month, Market Rent Per Month, Utility Expense (Electricity, Gas, Fuel Oil, Fuel (Other), Water/Sewer, Trash Removal), Paid By Owner, Paid By Tenant.

The applicant should complete all of the income and expense projections and for existing properties provide actual year-end operating statements for the past two years (for new properties the applicant's projected income and expenses must be provided). This Operating Income Statement and any previous operating statements the applicant provides must then be sent to the appraiser for review, comment, and/or adjustments next to the applicant's figures (e.g. Applicant/Appraiser 288/300). If the appraiser is retained to complete the form instead of the applicant, the lender must provide to the appraiser the aforementioned operating statements, mortgage insurance premium, HOA dues, leasehold payments, subordinate financing, and/or any other relevant information as to the income and expenses of the subject property received from the applicant to substantiate the projections. The underwriter should carefully review the applicant's/appraiser's projections and the appraiser's comments concerning those projections. The underwriter should make any final adjustments that are necessary to more accurately reflect any income or expense items that appear unreasonable for the market. (Real estate taxes and insurance on these types of properties are included in PITI and not calculated as an annual expense item) Income should be based on the current rents, but should not exceed market rents. When there are no current rents because the property is proposed, new, or currently vacant, market rents should be used.

Annual Income and Expense Projection for Next 12 months

Income (Do not include income for owner-occupied units) table with columns: Description, (Market), By Applicant/Appraiser, Adjustments by Lender's Underwriter.

Expenses (Do not include expenses for owner-occupied units)

Expenses table with columns: Description, Amount.

This includes the costs for public area cleaning, snow removal, etc., even though the applicant may not elect to contract for such services.

Interior Paint/Decorating
This includes the costs of contract labor and materials that are required to maintain the interiors of the living unit.

General Repairs/Maintenance
This includes the costs of contract labor and materials that are required to maintain the public corridors, stairways, roofs, mechanical systems, grounds, etc.

Management Expenses
These are the customer expenses that a professional management company would charge to manage the property.

Supplies
This includes the costs of items like light bulbs, janitorial supplies, etc.

Total Replacement Reserves - See Schedule on Pg. 2

Miscellaneous

Total Operating Expenses

\$ 5,533

Equipment	Replacement Cost	Remaining Life	By Applicant/ Appraiser	Lender Adjustments
Stoves/Ranges	@ \$ 450 ea.	+ 15 Yrs. X	Units = \$ 3	90 \$
Refrigerators	@ \$ 550 ea.	+ 15 Yrs. X	Units = \$ 3	110 \$
Dishwashers	@ \$	Yrs. X	Units = \$	\$
A/C Units	@ \$	Yrs. X	Units = \$	\$
C. Washer/Dryers	@ \$	Yrs. X	Units = \$	\$
HW Heaters	@ \$	Yrs. X	Units = \$	\$
Furnace(s)	@ \$ 5,000 ea.	+ 15 Yrs. X	Units = \$ 1	333 \$
(Other)	@ \$	Yrs. X	Units = \$	\$
Roof	@ \$ 5,000	+ 10 Yrs. X One Bldg. =	\$ 500	\$

**Carpeting** (Wall to Wall)

(Units)	Total Sq. Yds.	@ \$	Per Sq. Yd.	+ Yrs. =
(Public Areas)	Total Sq. Yds.	@ \$	Per Sq. Yd.	+ Yrs. =

Total Replacement Reserves. (Enter on Pg. 1)

**Operating Income Reconciliation**

\$ 36,480	- \$ 5,533	= \$ 30,947	+ 12 = \$ 2,579	Monthly Operating Income
Effective Gross Income	Total Operating Expenses	Operating Income		
\$ 2,579	- \$	= \$		Net Cash Flow
Monthly Operating Income	Monthly Housing Expense			

(Note: Monthly Housing Expense includes principal and interest on the mortgage, hazard insurance premiums, real estate taxes, mortgage insurance premiums, HOA dues, leasehold payments, and subordinate financing payments.)

Underwriter's instructions for 2-4 Family Owner-Occupied Properties

- If Monthly Operating Income is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Monthly Operating Income is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total Monthly Housing Expense for the **subject property** to the borrower's stable monthly income.

Underwriter's instructions for 1-4 Family Investment Properties

- If Net Cash Flow is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Net Cash Flow is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total monthly housing expense for the borrower's **primary residence** to the borrower's stable monthly income.

Appraiser's Comments (Including sources for data and rationale for the projections)

Timothy S. Farnham  
Appraiser Name

  
Signature

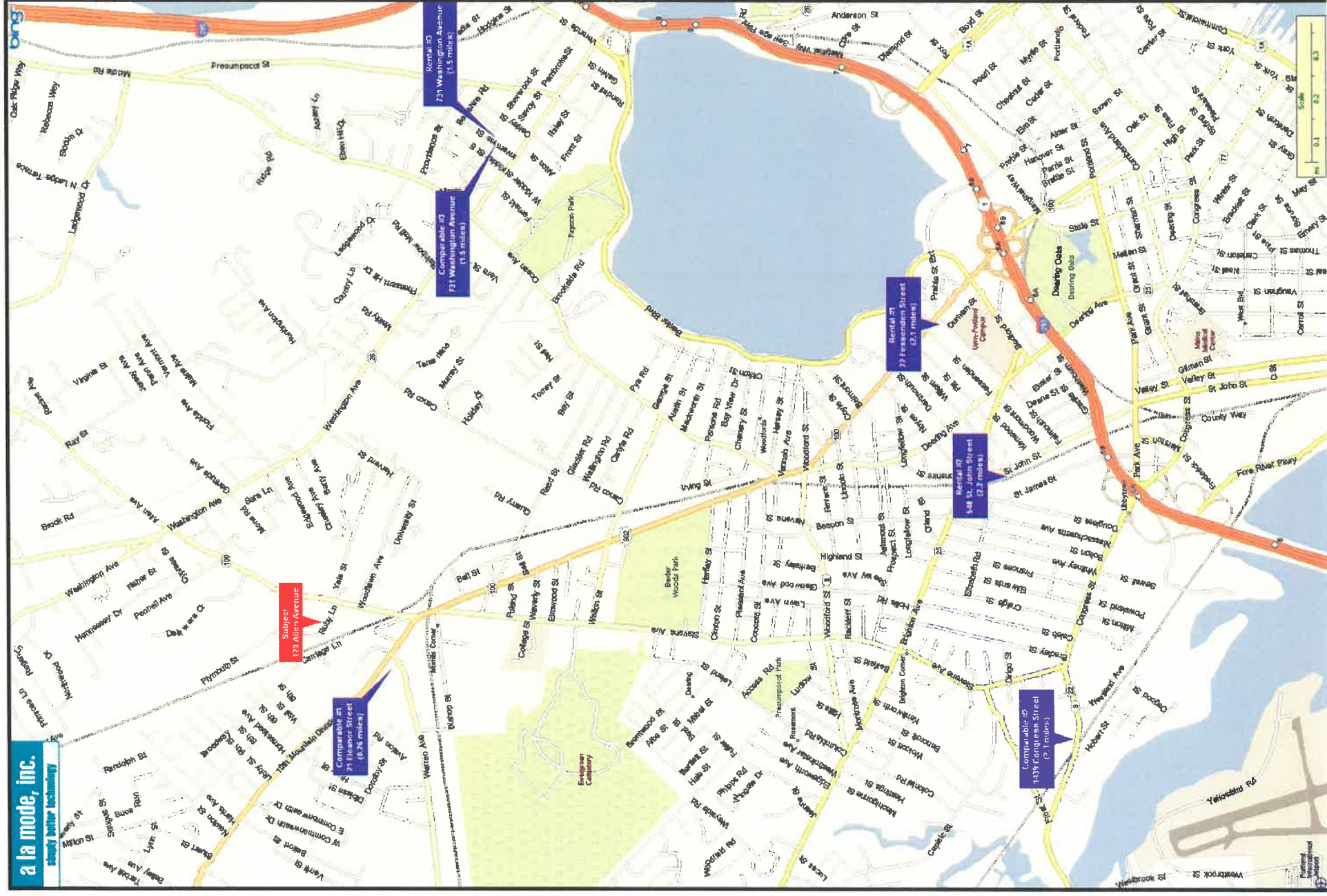
01/12/2010  
Date

Underwriter's Comments and Rationale for Adjustments

Underwriter Name \_\_\_\_\_ Underwriter Signature \_\_\_\_\_ Date \_\_\_\_\_



**a la mode, inc.**



**Subject Front**

120 Allen Avenue      285,000  
Sales Price:            3,768  
GBA:                      +/- 80 years  
Age:



**Subject Rear**



**Subject Street**



**Subject Front**

120 Allen Avenue      285,000  
Sales Price:            3,768  
GBA:                      +/- 80 years  
Age:



**Subject Rear**



**Subject Street**





### Comparable 1

21 Eleanor Street  
Sales Price: 307,000  
GBA: 3,546  
Age: 79 years



### Comparable 2

1439 Congress Street  
Sales Price: 296,000  
GBA: 4,182  
Age: 94 years




### Comparable 3

731 Washington Avenue  
Sales Price: 288,579  
GBA: 3,475  
Age: 109 years





400 Riverside Street, Unit B4 ♦ Portland, Maine 04103 ♦ Phone: (207) 878-2903 ♦ Fax: (207) 878-2679

 **State of Maine**  
DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION  
BOARD OF REAL ESTATE APPRAISERS  
License # CR739

Be it known that: **TIMOTHY S. FARNHAM**  
has qualified as required by Title 032 MRSA Chapter 000123 and is  
licensed as an  
**CERTIFIED RESIDENTIAL APPRAISER**

**ISSUE DATE**  
Jan 01, 2010

*Anne L. Head*  
\_\_\_\_\_  
Director, Office of Licensing & Registration  
Authorizing signature

**EXPIRATION DATE**  
Dec 31, 2010