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U. S. Department of Housing and Urban Development  
Washington, D.C. 20410-8000

November 6, 1995

Mortgagee Letter 95-50

TO: ALL APPROVED MORTGAGEES

SUBJECT: Electronic Signatures on Appraisal Reports

This is to inform you that the Department of Housing and Urban Development (HUD) will accept electronic signatures on appraisal reports and to reiterate the acceptance of laser-printed photographs for appraisals.

The Department is aware of advanced electronic technology and the benefits it affords homebuyers, lenders, and appraisers. Therefore, beginning January 1, 1996 the effective date of the Appraisal Standards Board's (ASB) statement on Appraisal Standard No. 8, HUD will accept the procedure of electronically affixing a signature to an appraisal report, provided certain security measures are taken. In conformance with the ASB's statement, all appraisers electronically signing a report must have a digital signature security feature built into their software program. The appraiser should ensure their signature is protected and only the appraiser maintains control of their signature. This control may be maintained by a personalized identification number, security cards or other hardware devices, where the appraiser has sole personalized control of affixing their signature. Electronically affixing a signature to an appraisal report carries the same level of authenticity and responsibility as an appraisal report with an ink signature.

The Department will also accept laser-printed black and white copies of photographs and photographs produced by digitized cameras which are of adequate size and clarity, showing enough detail for the purpose intended. Original photographs are not required as long as acceptable laser-printed copies are supplied.

Electronic transmission of an appraisal report will be between appraisers and lenders. Appraisal reports will not and cannot be received by the local HUD Offices electronically. The acceptance of electronic signatures on an appraisal report does not eliminate the appraiser's responsibility of supplying the local HUD Office with a complete Copy Five of each appraisal performed.

If you have any questions, please contact your local HUD Office.

Sincerely yours,

Nicolas P. Retsinas  
Assistant Secretary for Housing-  
Federal Housing Commissioner