



As a Solidifi Values™ appraiser partner, we ask that you follow the guidelines below. These guidelines are a condition of payment and continued participation and are intended for National Bank of Canada and its assignees. If you have questions, please contact Solidifi at 1-866-583-3983 or [nationalbank@solidifi.com](mailto:nationalbank@solidifi.com)

Firms are **required** to submit Full Inspection/ Drive-By reports on Solidifi AIC Full 0713 or Solidifi AIC Drive-By 0713 forms respectively. Reports submitted in alternate formats will be **returned for revision**.

#### Timelines

<b><u>Timelines</u></b> <b><u>Inspection Type</u></b>	<b><u>Timeline To Contact</u></b> <b><u>Homeowner/Agent To</u></b> <b><u>Arrange Inspection</u></b> <b><u>Time</u></b>	<b><u>Timeline To Have</u></b> <b><u>Appraisal Report Uploaded</u></b> <b><u>To Solidifi Values™</u></b>	<b><u>End To End Timeline*</u></b> <b><u>(Acceptance To Delivery)</u></b>
<b>Interior Orders</b>	Within 4 hours of accepting assignment	Within 8 hours of inspecting property	Within 2 days of accepting order**
<b>Exterior Orders</b>	N/A	Within 8 hours of inspecting property	Within 1.5 days of accepting order

\* Please review and ensure you can meet the due date listed on the order within Solidifi Values™ prior to accepting the assignment.

\*\*Assuming homeowner/agent availability for access.

#### General

Please address the report to:

**National Bank of Canada c/o Solidifi**

- **Please ensure c/o Solidifi is included in the lender's name)**
- Ensure the report is CUSPAP compliant, meets the minimum requirements outlined in this engagement document and meets any special instructions contained within the order
- Produce the report in a manner consistent with all applicable provincial requirements
- The appraiser should have access to all rooms in the interior of the property and so indicate on the report.
- The appraiser must confirm that there are no adverse external factors that may affect the marketability of the property and address any speculative value attributed or unsupported assumptions should be addressed

#### Recognized designations

- É.A., Évaluateur agréé, OEAQ. This designation allows holders to appraise all types of buildings, especially buildings in Quebec.
- CRA, Certified Real Estate Appraiser (from the AIC). This designation allows holders to appraise residential properties with four units or less in Canada.
- AACI, Accredited Appraiser Canadian Institute (from the AIC). This designation allows holders to appraise all types of buildings in Canada.
- DAR, Designated Appraiser Residential (from the CNAREA). This designation allows holders to appraise residential properties with four units or less and small commercial buildings only in Canada.
- DAC, Designated Appraiser Commercial (from the CNAREA). This designation allows holders to appraise all types of buildings in Canada.

## Appraisal Report Standards

When requested by a Mortgage Broker to perform such Appraisal Services, Supplier will respect the following Appraisal Reports Standards, namely

### Length of Visit

- The length of the visit can vary depending on the type of property. National Bank recommends that the inspection last an average of 30 minutes.

### Final Value

- 1 to 4 unit properties: NBC requires the final value to be based on the comparison approach, not the income approach.

### Days on Market

- The Bank asks that this information be included in the table of adjustments and comparable elements for each sale used.

### Variance

- Appraisers are never to indicate a variance on their report.

### Photographs

- All appraisal reports must contain exterior and interior (minimum three rooms) photos of the building.
- The photos must give a general idea of the property.
- If the appraiser notices a noteworthy item (e.g., crack or mould), a photo must be added to show it.  
A sketch of the building or surveyor's certificate/certificate of location must also be attached.

### Comparables

- The appraiser must do what is required to find comparable sales completed in the past six months. Otherwise, he must comment the file.
- The appraiser must do what is required to find comparable sales with gross adjustments of no more than 25%. Otherwise, he must comment the file.

### Condition

The Bank must be informed of all physical problems related to the subject of the appraisal (interior and exterior).

All files must include a comment on the condition of the property.

Condition of the property: Falls under three categories (good (or average), fair or poor condition).

- **A) Good or average condition:** Indicates a property that does not require any particular condition and should sell under normal conditions in a normal market context (easy to resell).
- **B) Fair condition:** Indicates a property that has one or several particularities that require an intervention such as the roof or windows needing to be replaced in the short term or cracks leading to water infiltrations.

- **C) Poor condition:** Indicates a property with major flaws to its condition or features. For example, a property that has deteriorated at an accelerated rate due to a major defect affecting the foundation (pyrrhotite), most of the exterior needing be replaced (roof, doors, frames, siding) or significant damage resulting from a flood.

#### Grow-op

- Houses used to grow cannabis: If the appraiser realizes that the property has been used to grow cannabis, he must immediately inform the Bank and await instructions.

#### Progress inspections

- It is important for the person visiting the property to complete the inspection report to have access to the previously ordered appraisal report.
- The appraiser must confirm on the report that the property visited corresponds to the information contained in the appraisal report. Otherwise, an update note must be added to the report.
- If the percentage of work completed is between 95% and 99%, comments on the remaining work, including cost estimates, are necessary.

The work progress percentage must reflect the percentage of work completed based on the full value of the property. In addition, the list of the work tasks and the total cost must be recorded in the comments.

#### Condo inspection

- The inspection report must indicate the percentage progress of work completed on the unit AND the percentage of work completed on the common areas.
- A representative sample of common areas must be visited to obtain an accurate percentage.

#### New Construction

- Under certain exceptional justified circumstances (age of comparable properties, transactions occurring in the distant future, too many adjustments, etc.), the appraiser may insert a primary sale to have a value that is more representative of the market.

#### Renovations

- Progress of work (%): If the work on the property is not fully completed (existing home or new home), a table indicating the progress of the work must be attached
- Condition: The Bank must be informed of all physical problems related to the subject of the appraisal (interior and exterior). All files must include a comment on the condition of the property.
- Indicate the actual value and/or potential value at all times if the work required or planned represents more than 5% of the actual value or will cost more than \$10,000.

#### Mobile home

- The appraiser must indicate clearly in his report if the mobile home is located on a leased or purchased lot. In the case of a leased lot, the cost of the rent must be recorded in the report.

#### Income property

A survey of a certain number of tenants is necessary to confirm to NBC the leases, including the associated benefits (ex: heated, 3 months free, etc.) The contract rent must not exceed the market rent when applying the income

method. If the contract rent is lower than market, the contract rent must be considered in the calculation of the income method. Vacant apartments or premises must be identified and estimated at market value.

## 5 Acres and Para-agricultural Building

- 5 acres and para-agricultural building: no matter the size of the field, only the first 5 acres must be considered. In addition, farm buildings (stable, barn, warehouse ...) cannot be considered in the market value for BNC funding

## Garage

- An attached garage is considered to be part of the house and must be included when calculating the final value.
- A detached garage can be considered as part of the home if there is no attached garage and if the garage is used for residential purposes only.
- If the property has an attached garage and a detached garage, the detached garage must be considered as an agriculture-related building and is not to be included in the final value.

## Mixed Residential/Commercial Properties:

- For premises used for non-residential purposes, the appraiser must include in the appendix the amount of leases for all residential and commercial units.

## Timelines and communication

As an appraiser partner of Solidifi, we rely on continual communication. Therefore, you agree to:

- Notify us of any issues regarding appointment scheduling or report completion
- Notify us of expected delays
- Provide timely status updates via Solidifi Values