The New Appraisal Rules: What California Buyers & Sellers Need to Know

NOVEMBER 2026 • A clear, no-drama guide to UAD 3.6

The big update: As of November 2, 2026, new appraisal reports submitted through the Fannie Mae/Freddie Mac portal generally must use the updated UAD 3.6 format. Temporary exceptions are available to approved lenders. This is a nationwide reporting change—not a California-only change and not a new formula that automatically raises or lowers home values.

What actually changed?

- **More structured property details.** The redesigned Uniform Residential Appraisal Report can describe different property types and characteristics more consistently.
- **One flexible report.** The updated reporting framework replaces older static forms for applicable loans.
- **Same core valuation principles.** Appraisers still analyze comparable sales, market conditions, location, property features and condition. The new format does not set a home's price.

If you are selling

- Document renovations with dates, permits, invoices and before-and-after photos.
- For an ADU, have permits, final approvals, utility status, square footage and access information ready. An unfinished or unconnected ADU may not receive the same value as a fully usable one.
- Prepare for an appraiser to describe condition and property characteristics in greater detail. Correct factual errors with evidence, not pressure.
- Price using recent, relevant closed sales—not simply your upgrade costs or a Zestimate.

If you are buying

- Your lender generally orders the appraisal; an appraisal is not a home inspection.
- If value comes in below the contract price, options may include a reconsideration of value through the lender, renegotiation, additional cash, or contract remedies depending on your contingencies.
- Ask your lender early about the appraisal timeline, the loan program, and whether a completion inspection could be required for unfinished work.

California-specific reality check

California purchase agreements, contingencies, disclosures, permits and local building requirements still matter. UAD 3.6 does not replace them. FHA, VA, jumbo, portfolio and cash transactions may follow different appraisal

and lending requirements.

THE JACKIE TAKEAWAY

A well-prepared property tells a clearer story. Accurate documentation and strong comparable sales help the appraiser understand what the market supports—without trying to influence an independent valuation.

Quick pre-appraisal checklist

- Recent relevant closed comparable sales
- Upgrade list with approximate dates and permits
- ADU plans, permits, final status and utility documentation
- Access to all rooms and permitted units
- Receipts, warranties and a list of outstanding work

Common myths—cleared up

“The new rules automatically reduce values.” False. They change reporting, not the market value standard.

“Every ADU gets full living-area value.” False. Legal status, functionality, condition, comparability and lender guidance matter.

“The seller can choose the appraisal number.” False. Appraisers must remain independent.

Have questions about your home’s value?

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Educational information only; not legal, lending or appraisal advice. Confirm loan-specific requirements with your lender and transaction-specific legal questions with qualified counsel.

Sources: Fannie Mae, “UAD 3.6 Frequently Asked Questions” and “UCDP Submission Summary Report Messaging Updates” (2026); Freddie Mac, “UAD 3.6 FAQ”; National Association of REALTORS®, “Effective Delay Announced for Appraisal Reporting Transition” (Sept. 30, 2026).