What If the Appraisal Comes In Low? Your 5 Options

The appraisal came back below your contract price — now what? The appraisal gap explained, plus five ways forward: renegotiate, appeal, cover the gap, or walk.

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You're under contract at $350,000. The appraisal comes back at $335,000. Cue the panic call. Take a breath — a low appraisal is a *negotiation event*, not a disaster, and it has a well-worn playbook. In many cases it even works in your favor.

Why It Matters: The Lender Uses the LOWER Number

The lender bases your loan on the **lower of the price or the appraised value**. At 90% financing on our example: the loan is 90% of $335,000, not $350,000 — leaving a **$15,000 "appraisal gap"** that has to come from somewhere. Your five options:

Option 1: Renegotiate the Price (Try This First)

The appraisal is leverage. The seller now has written evidence their house is worth $335,000 — and every future FHA appraisal on that house may face the same number (FHA appraisals stick to the property for 4–6 months, VA appraisals attach similarly). Many sellers, facing re-listing and hitting the same wall, agree to drop to the appraised value or meet in the middle. **You just saved $15,000 because of the appraisal.**

Option 2: Split the Difference

The most common real-world outcome: seller comes down some, buyer brings some extra cash. A $7,500/$7,500 split closes the gap and the deal.

Option 3: Challenge the Appraisal

A **reconsideration of value** works when there's real ammunition: comparable sales the appraiser missed, factual errors (wrong square footage, missed renovations), or a genuinely hot micro-market. Your realtor supplies better comps; we submit the rebuttal. Honest expectation-setting: reconsiderations succeed only sometimes — but when the appraiser genuinely missed something, they work.

Option 4: Bring the Difference in Cash

If you love the house and believe in the area, you can cover the gap and proceed at the original price. Worth doing thoughtfully — you're paying above the appraised value, betting on the market to catch up. Sometimes right (unique house, rising area), sometimes emotion doing the math.

Option 5: Walk Away

If your contract has an **appraisal contingency** (this is why we insist on one), you can exit with your earnest money. No house is worth overpaying into regret — and inventory keeps coming.

> **Before you're under contract:** two protections cost nothing. Keep the appraisal contingency in your offer — waiving it is fashionable in bidding wars and dangerous. And let us sanity-check the price against recent sales *before* you offer; the best appraisal problem is the one you never have.

A buyer in Lawrenceville went under contract at $385,000; the appraisal said $370,000. Her agent found two better comps and we filed a reconsideration — the value moved to $378,000. The seller dropped $4,000 and she brought $3,000 extra. Deal closed nine days later — $7,000 under the original contract price.

The Broker's Role in All This

When the appraisal lands low, timing matters: contingency deadlines, lock expirations, and rebuttal windows all run concurrently. We quarterback the lender side — the reconsideration, the loan restructure if the number holds, and honest advice about whether the house is worth stretching for. In English, Portuguese, or Spanish.

Let's Talk About Your Mortgage

Our team serves you in English, Portuguese, and Spanish — no cost, no obligation.

Jade Taylor

BROKER / OWNER

NMLS # 1822210

(678) 753-5233 • jade@alvoradamortgage.com

English · Português · Español

ALVORADA MORTGAGE, LLC

OFFICE

2326 Wisteria Drive
Suite 210
Snellville, GA 30078

CONTACT

Phone: (770) 742-6000
Fax: (770) 285-5530
WhatsApp:
+1 (678) 753-5233

ONLINE

alvoradamortgage.com
info@alvoradamortgage.com
Google Business Profile

LICENSES

NMLS # 2137907
Georgia # 2137907
Florida # MBR5158

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