Navigate 3.6

A Practical, Supportive Guide to ANSI Z765 and UAD 3.6 Requirements

by Clearbox Technology, LLC

Introduction

The upcoming transition to **UAD 3.6**, paired with the widespread adoption of **ANSI Z765-2021**, represents one of the most meaningful updates to appraisal reporting in years. As the industry approaches the 2026 mandate, it's natural for appraisers to have questions – about what's changing, what isn't, and how to adapt without disrupting their workflow.

Appraisers have been doing outstanding work with 2.6 and the tools available to them.

UAD 3.6 simply introduces new opportunities, not criticisms, not corrections.

Our goal is to support appraisers through this transition with practical explanations, straightforward tools, and technology that reduces friction rather than adding complexity. This paper breaks down what ANSI requires, what UAD 3.6 introduces, and how modern tools such as BoxLi™ can help make the transition smoother, more predictable, and less time-consuming.

No hype. No fear. Just clarity, so you can focus on what you already do best: delivering high-quality appraisal work.

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1. Understanding What ANSI Z765 Requires

ANSI Z765 establishes the standard measurement framework for one-unit residential properties. Appraisers have been applying ANSI successfully for years, and that does not change. What's helpful now is a clear understanding of the specific requirements, particularly as they relate to interior details.

1.1 Exterior Measurement Line

ANSI relies on:

- Exterior finished surface of outside walls (detached)

- Centerline of common walls (attached)

This defines where measurements are taken, not how appraisers must measure them. Many professionals meet ANSI requirements using a wide variety of proven methods.

1.2 Ceiling Height Rules

ANSI includes minimums and allowances such as:

- 7-foot minimum ceiling height for most areas

- Sloped ceilings:

    - Areas ≥ 5 feet count toward total area

    - Areas ≥ 7 feet count as finished floor area

These distinctions require interior observation, not because current methods are inadequate, but because ceiling height simply can't be determined from exterior outlines alone.

1.3 Sloped/Vaulted Ceilings & Low-Clearance Areas

Interior conditions, including knee walls and variable ceiling heights, may influence which spaces qualify under ANSI.

1.4 Open-to-Below Areas

These areas must be excluded from upper-level square footage, which again requires an interior point of reference.

1.5 Finished vs. Unfinished Areas

ANSI requires distinction between finished and unfinished spaces and between above-grade and below-grade areas. These determinations come from interior characteristics, not measurement equipment.

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2. What ANSI Expects Users to Understand

ANSI does not dictate any specific measurement tool or workflow. Instead, it expects appraisers to understand:

- Interior boundary locations

- Ceiling height variations

- Sloped or vaulted ceiling geometry

- Knee wall placement

- Finished vs. unfinished transitions

- Stair openings and open-to-below boundaries

Appraisers already make these determinations daily; the shift is that UAD 3.6 will require this information in a more structured, standardized format.

3. Understanding UAD 3.6 Requirements

A helpful clarification: **UAD 3.6 does not require a full interior floor plan for every assignment.** Full layout diagrams are needed only when a property's design is atypical or functionally unusual.

However, the update **does** require a more structured dataset for all properties, including:

- Room counts by level

- Interior functionality

- Floor plan relationships

- Interior condition

- Ceiling height characteristics

- Finished and unfinished areas

- Access relationships

This isn't a criticism of traditional sketching. Rather, it's an acknowledgment that the dataset is expanding, and the new structure rewards workflows that can capture interior detail more efficiently.

4. Why Exterior-Only Sketches Provide Limited Detail for UAD 3.6

Exterior perimeter sketches remain valuable and familiar. The challenge arises when the dataset requires information that the exterior doesn't reveal.

4.1 ANSI Eligibility Relies on Interior Attributes

To apply ANSI consistently, appraisers need interior insight for questions like:

- Does an attic or bonus room meet ceiling height requirements?

- Where do ceiling height changes affect qualifying area?

- What is finished versus unfinished?

- Are there open-to-below spaces impacting calculations?

4.2 UAD 3.6 Adds Structure to Interior Reporting

The new data fields call for greater clarity and consistency in how interior spaces relate to one another.

4.3 Repeatability and Documentation Become More Important

The modernization initiative emphasizes:

- Standardization

- Defensibility

- Repeatability

- Clear documentation

This shift does not invalidate traditional methods. Many appraisers will continue using them, but it makes tools that automate or streamline interior detail increasingly helpful.

5. How LiDAR Helps Appraisers Adapt Smoothly

LiDAR is not a replacement for appraiser expertise. It is simply a tool that helps capture interior detail more quickly and with fewer opportunities for oversight.

5.1 One Pass, Complete Interior Understanding

A LiDAR-enabled device can capture:

- Room geometry

- Wall relationships

- Ceiling height changes

- Sloped ceilings

- Open-to-below areas and stairs

- Finished vs. unfinished transitions

This allows appraisers to spend less time measuring and more time analyzing.

5.2 Workflow That Supports the Appraiser

BoxLi™ focuses on:

- A single scan of the entire home

- Minimal prep time

- Compatibility with existing appraisal workflows

- A simple, calm, predictable user experience

Appraisers can decide how LiDAR fits into their practice, whether for complex assignments or as their daily standard.

5.3 Digital, Verifiable Output

LiDAR produces machine-readable geometry that supports:

- Clear ANSI application

- Simpler UAD 3.6 data population

- Consistent documentation across assignments

This helps appraisers stay aligned with upcoming modernization expectations without needing to overhaul their approach.

Conclusion

The transition to **UAD 3.6** and the continued use of **ANSI Z765** represent an important industry milestone. With the upcoming 2026 mandate, appraisers are entering a phase where interior detail and structured data will play a larger role than ever before.

Clearbox's mission is to help appraisers move through this transition confidently, not by replacing their workflow, not by criticizing existing methods, but by offering tools that:

- Reduce complexity

- Eliminate manual bottlenecks

- Strengthen defensibility

- Improve efficiency

- Support their professional judgment

BoxLi™ is designed as a practical, approachable solution for appraisers who want a smooth, low-stress path into the future of UAD 3.6.

Clearbox is here to support the industry, every step of the way.