

1. What do you consider to be the most pressing issues facing the appraisal profession today?					
	Most Critical	Important, but not critical	Moderately important	Will require attention, eventually	Not Important
Appraiser Independence	41.2% (14)	35.3% (12)	23.5% (8)	0.0% (0)	0.0% (0)
Appraisal Fraud	23.5% (8)	41.2% (14)	26.5% (9)	8.8% (3)	0.0% (0)
Competency	69.7% (23)	21.2% (7)	9.1% (3)	0.0% (0)	0.0% (0)
Quality	75.8% (25)	21.2% (7)	3.0% (1)	0.0% (0)	0.0% (0)
AMCs	18.2% (6)	45.5% (15)	33.3% (11)	3.0% (1)	0.0% (0)
AVMs	6.1% (2)	9.1% (3)	54.5% (18)	24.2% (8)	6.1% (2)
BPOs	6.1% (2)	9.1% (3)	30.3% (10)	39.4% (13)	15.2% (5)
State Appraisal Board Enforcement	30.3% (10)	27.3% (9)	39.4% (13)	3.0% (1)	0.0% (0)
Reasonable & Customary fees	21.2% (7)	51.5% (17)	21.2% (7)	6.1% (2)	0.0% (0)
Regulatory Changes	76.5% (26)	14.7% (5)	5.9% (2)	2.9% (1)	0.0% (0)
Improper Mentoring and Training	39.4% (13)	33.3% (11)	24.2% (8)	3.0% (1)	0.0% (0)

# 2. Do you believe we need to Reengineer the Appraisal Process?

	Response Fercent
Yes	44.1%
No	55.9%

#### Comments:

Appraisals for Single family are turning into mechanical products and the appraiser is not allowed to think! I thought the job of the appraiser was to reflect actions of buyers and sellers which cannot be reduced to box checking and UAD definitions. Depends what part of the process is meant. I cannot speak to the gov't backed side of the industry (Fannie, Freddie etc) but the appraisal process is working well for banks that portfolio their loans. However, new regulations continue work their way through the system affecting all corners of the appraisal industry. It is yet to be seen if these changes will be positive as it relates to appraisal quality.

The fundamentals of supporting market analysis, supporting adjustments, and reconciling values is often missing.

I think the process is functional, just need the regulators to leave it alone.

Reengineer is a strong position to take. Perhaps some additional theoretical and practical modifications may be appropriate. More along the lines of reengineer the licensing, mentoring process as we are not seeing young people join our profession The appraisal process works. But the Federal and State regulatory bodies have put their hands into the mixing bowl in an effort to help but instead have created a more confusing process in some instances that has increased cost to comply. The borrower could get multiple copies of valuation reports, which will create more confusion on their end rather than before.

Remove agency involvement

We do not need to re-engineer new forms, but the process. New forms can be a by-product, but the horse needs to be in front of the cart.

Yes...I think computer modeling should play a larger role in valuations.

We need to somehow communicate the importance of being a professional and stress the affiliation with a professional appraisal organization. We need better training and we need to stress it is not a job, it is a profession.

Most of the reports that I read have far too little reconciliation (sometimes none at all). But the reconciliation, to me, is one of the most important parts of the appraisal process.

This is very important too.

3. Do new appraisal forms need to be developed ?		
	Response Percent	
Yes	3	69.7%
No		30.3%

4. Should an independent entity be established that owns the forms and creates a repository for all stakeholders?		
	Response Percent	
Yes	51.5%	
No	48.5%	
Comments		

#### Comments:

When Fannie disappears there needs to be a single contact point and governing of appraisal forms, data etc.

We just don't need another entity to answer to.

I like the idea of one owner of the forms, but not sure having a centralized repository. Plus this likely only works for 1-4 family originations. What about everything else?

Yes, but it should come from private sector...so "no" gov't should not establish an entity.

I believe guidelines should be provided and the forms left up to the companies to design.

Too many appraisers rely on the Fannie form as the be all end all. It would be great if an body like The Appraisal Foundation would design a form that is acceptable to the industry. (I doubt Fannie/Freddie let that happen with UAD in place to mine the appraisals)

A weak "yes" pending further information on what you mean and envision by "entity"

And it should not be the GSE's it should be a coalition of appraisal groups run by appraisers.

There should be an "other" for this question. It is a good question and needs deeper discussion.

5. Does appraisal independence remain a problem ?		
		Response Percent
Yes		45.2%
No		54.8%

Responses

Violations occur when lenders find out, after engagement, the identity of the appraiser, and then have discussions or provide information that is inappropriate.

I think it remains a problem in the way appraisers interpret their responsibilities in the process.

Direct contact with the appraiser by underwriters that report up through mortgage instead of being part of a risk department Same as it's always been- I don't see this issue ever going away. But it's certainly better now then it was.

I still believe there is some influence from lenders/loan officers who have long-established relationships with appraisers. Mortgage brokers and Realtors who own AMCs or who influence the appraiser selection in small AMCs or who manage the panel an AMC must follow (rather than risk).

If not controlled by strong appraisal mgmt, positions may be swayed into the dark side.

Origination still has contact with appraisers. panels are too small to keep "independence". The appeal process labels "low appraisers" as the bad ones when in reality they are usually the better ones, this results is less assignments to them by the AMC as there are no "complaints".

In our institution, we have trained and managed enough where there are minimal AI violations from a bank employee (usually a cut/paste of an email gets them in trouble). The few AI violations we discuss monthly are due to 3rd party influence of a Realtor, Seller, or Borrower which the Bank has limited to no control over their actions.

Somewhat of a problem...not as bad as it used to be pre-RTC days.

Undue influence from within the organization

Although moderate in my opinion. You will never break the LO/appraiser communication. It should have never been a problem to begin with, the appraisers caused the problem. If the appraisers acted like professionals and did not cave in to the pressure, there would be no need for appraiser independence. I experienced plenty of pressure and never had a problem with it. If you want real independence, get the appraisers out of the industry that were the problem, the form fillers.

Smaller (local) lenders are able to order their own reports and the feedback we occasionally hear is that they choose their own appraisers and have have more "input" into the process. Result - Higher values. This does not mean they are incorrect reports, only that may have to be addressed.

Groups of appraisers guised under an AMC umbrella to generate business for themselves, or brokers and TPO lenders who are still too "chummy" with their preferred and local AMCs.

6. Has your valuation organization been reviewed by a regulatory authority in the 12 months?		
	Response Percent	
Yes, with positive results	62.5%	
Yes, with recommendations for improvement	25.0%	
No, no visit from the regulator in the past 12 months	12.5%	
If improvements were recommended, what areas?		

Responses:

Including evaluation reports to support credit decisions, supporting reviews of complex properties, training of lending staff in valuation processes.

Primarily around verbiage for evals

Quality Control, Procedures in Place, Vendor Management

We were told OCC has new interpretation where "all" appraisals should be reviewed per IAEG unless a sampling methodology were submitted and approved.

Appraiser Scoring

None were recommended, the OCC gave us a good review Regulators and auditors do not give positive results, their job is to make recommendations for improvements

	Response Percent
Yes	41.9%
No	58.1%

#### 8. If yes, how would you prefer to pay for it? **Response Percent** 62.5% By subscription with access to updates in real time One time fee 37.5%

Other (please specify)

Other:

I do not see the benefit to the industry We currently use an outside service.

9. How will you address "reasonable & customary" fees? Set fees based upon:			
		Response Percent	
Will rely on my AMCs to manage properly		22.2%	
Will set fees internally based upon VA schedule solely		0.0%	
Will set fees internally based upon a combo of fee surveys, academic studies, VA, and our own internal historic schedules		77.8%	

Comments:

We don't set fees. We pay them. Our panel sets their own fee. Not an issue here - all jobs are bid out. Allow the market to determine fees. Appraisers should understand they have the power to accept or reject fees. Texas A&M published a great survey. We discuss with our appraisers on our approved panel on a regular basis and discuss with AMC's and also review national surveys. To be honest, I think this is a mess too. Most appraisers I speak with state that it hurts them. I was just told by a person at an AMC that most lenders have a range. The AMCs are still beating up the appraisers on fees. There would be no

need for customary and reasonable, again, if everyone acted like a professional, completed credible appraisal reports and were paid a fee based on the quality of their work and the experience. Attorneys and CPAs don't have customary and reasonable fees do they? Why can't appraisers just figure this out?

Good mix to ensure we do not become complacent.

10. To whom does your appraisal dept. report?		
	Response Percent	
Loan Production	3.2%	
Credit Risk	71.0%	
Legal/Compliance	9.7%	
Other	16.1%	

Other:
Loan Administration
Independent department reporting to the Board of Directors
Risk Management (Outside Credit)
Mortgage Operations
Credit Administration
Multiple areas.

11. Do you think your organization has adequately communicated policies, procedures and guidelines to your appraisal vendors?		
		Response Percent
Yes		81.3%
No		18.8%

Responses:

via correspondence Lack or resources, communication tools.

Written communication that is affirmed by regular meetings.

There has not been any formal communication by letter, e-mail or otherwise.

Weekly calls with each vendor. Follows similar reporting per vendor monthly by credit risk reviewing analytics and sampling results.

defined P & P, enforcement is the challenge

We have it in the engagement letter, but no one reads them anymore. We are planning a re-education push this year for all vendors.

emails, phone calls all communicate updated changes

However, we find the majority of appraisers do not read the entire engagement / scope.

Bi-weekly meetings to the AMCs updating any policy changes

We do not use vendors to perform appraisals

We are re-working the valuation process, and updating the requirements and documents. While we try to keep the panel abreast of changes as they come, our new requirements will be submitted to the panel and AMC's in Q2.

We remind our appraisers twice a year what they are.

Always room for improvement.

Yes- due to annual reviews we feel this is the appropriate level.

#### 12. What areas require compliance training and education? Check all that apply.

	Response Percent
Third party oversight	53.3%
Fee panel management	36.7%
Reconciliation of Value	40.0%
Customary & Reasonable Fees	43.3%
Evaluations	70.0%
Review	76.7%
State laws	43.3%
Appraisal independence	60.0%
Other (please specify)	

Other:

For who and from who? The above answers assume the lender giving to their staff

didn't answer b/c couldn't understand if the context applied to industry or to my company.

HPML and now the hot button is the CFPB

Appraisers knowing who they should and shouldn't communicate with. Appraisers also forget that they are a representative of my bank when they walk in the door and should try to be professional (dress and communication to homeowner)).

13. How do you audit appraisal quality?		
	Response Percent	
Licensed appraisers on staff	96.7%	
Licensed appraisers used on a contract basis	20.0%	
Non-licensed analysts on staff	30.0%	
Rely on vendor for appraisal quality	20.0%	

Other:

Certified appraisers on staff

We have a staff of experienced appraisers that review our appraisal reports and we use analytics provided by FNC through the CMS system.

We have multiple layers of review. We also audit the AMC and their processes. Other tools utilized as well.

#### 14. What is the cost of your review function on a per file basis?

Responses:

What is the cost of your review function on a per file basis?
Open-Ended Response
Reviewers are paid a salary but I would estimate \$100.00
not calculated
\$200-\$250

\$60 for residential reports.
\$50 including scoring tools
unknown
Residential \$50 - \$100 ; Commercial - \$500 - \$1,000
225
Cost? Don't know.
100
not determined because we do not charge
\$400 for commercial \$100 for residential over the fed guideline amount established. over \$1Mil for commercial, etc.
Not yet calculated
proprietary - cannot disclose
Have not viewed.
Residential has different levels of review. \$58-\$91
\$125 if outsourced; no charge if in-house
200
We are working on that right now, but I would guess \$45 per file as an actual cost
Unkown
Not sure
Minimal.

## 15. How many files can a review appraiser handle in a day?

Responses:
Open-Ended Response
Depends on host of areas; including the type of appraisal, quality of appraiser; report revisions etc.
not calculated
4
Six
1-2 Commercial 6-10 Residential
3-6 depending on scope of work
Varies by complexity. Residential - 3-4; Commercial - 1-2
2.5
Depends whether commercial, evaluation, or residential - varies.
4
2-5. The only reviews required are for comprehensive, USPAP compliance reviews. Routine single family on 1004 w/a value of \$65,000 will not receive a review. (I'm trying to change that internally to require all appraisals reviewed)
11
8-15 depending on complexity of the review.
12
3.3
Residential (only): 10 to 15 Commercial (only): One maximum for a technical review; Two maximum for a compliance review.
ave. 10
Depends on the quality, they are all scored and directed to the appropriate reviewer based on the score. The higher the score, the less issues. The higher scores we can get through 15 a day, the lower scores 10 per day, so on average 12. I just spoke to another lender that does all jumbos for the most part and they get through 6 to 8 per day.
8+/-
Varies dependent on issues
Varies.
16. What is the cost, per file, to manage the entire appraisal process?

### 16. What is the cost, per file, to manage the entire appraisal process?

sponses:	
Isure	
t calculated	
iknown at this time.	
out \$100 per residential report	
5-\$150	
known	
0	
n't know	
n't know.	

125	
not determined because we do not charge	
We have not completed a survey or cost analysis on this process.	
Not yet calculated	
proprietary - cannot disclose	
Have not viewed.	
Because the cost is split between all facets of the dept. including commercial, environmental, etc my number would averages, so will leave it out.	l skew your
Residential (cost directly related to ordering and reviewing only): \$650 Commercial (cost directly related only): \$4,0	00
Not sure	
Again, we are working on that, but including the appraisal and the review, I would say \$450 to \$500	
Unknown	
Not measured to my knowledge	
Pennies on the dollar.	

#### 17. What is the most common appraisal quality issue?

	Response Percent
USPAP Compliance	6.7%
Compliance with lender guidelines	6.7%
Unsupported Value Conclusion	40.0%
Inadequate Comparable Selection	26.7%
Inaccurate data on the report	13.3%
Other	6.7%
Comments	•

Comments:

Inadequate support for adjustments, inadequate description of competition, inclusion of irrelevant boilerplate.

Inadequate commentary & support to determine whether the conclusions are accurate.

I'm always amazed at the sloppiness and the lack of explanation or comment on the appraiser's reasoning.

Credibility for the intended use/user is a USPAP compliance issue that stems from several items including the other answers above.

Typically b/c they did not follow USPAP.....

There should be an option for ALL OF THE ABOVE.

Most often the appraiser utilizes comps in a different location, higher/lower quality, condition, or amenities and fails to reconcile the data to the market and how that supports the subject property.

Appraisers still don't get how to create a credible report. We also review to USPAP and that would be a close second. The lack of detailed explanation regarding most of the data, analysis, adjustments and conclusions in the report. We see multiple USPAP issues in many reports.

18. Has appraisal fraud increased or decreased?

Response Percent

40.0%

Increased	10.0%
Decreased	90.0%

19. How has overall appraisal quality changed over the past 12 months?         Response Percent		
Declining	6.5%	
Stable	74.2%	
Improving	19.4%	
Comments		

Comments:

In our organization.
No change
it is acceptable but has a lot of room for improvement
The tough years of the recent past have forced lenders to require better appraisals and appraisers to write better reports. The
comps are not as similar in terms of appearance or influences on the sales priceso the sales comparison is not self
explanatory and the appraiser needs to reconcile why those comps were used.
Well, we eliminated a few "bad apples" who did not properly support their opinions of value.
I think with our appraisers it is improving based on the reviews and the revisions we request, but has more or less stabilized at
this time.

That is too short of a time span.			
We are hopeful the tide has turned.			
20. Which choice(s) best represents your plan to improve appra	aisal quality in the next ′	12 months?	
Response Percent			
Additional review functions		41.9%	
More due diligence on fee panel		48.4%	
Require competency exams		3.2%	
Morte with or obongo AMC o		20.0%	

VVork with or change AMC's		29.0%
Bring more functions in house		16.1%
Employ more technology tools		35.5%
No changes		9.7%
Other		19.4%
Comments		

#### Comments:

hiring an additional senior reviewer. work more with vendors on our requirements Other - additional education for reviewers Communication of issues, trends, changes. We are moving to ordering direct from the appraisers and paying a higher fee and demanding quality. We are going to keep the good appraisers busy and use the average to inferior appraisers less. Expand review functions to parts of the bank that currently utilize little or no review.

Fee panel scrutiny is always important.

21. How has your organization changed over the past 12 months?		
		Response Percent
Reduced Staff		32.0%
Reduced Fee Panel		24.0%
Increased Staff		32.0%
Increased Fee Panel		36.0%
Other (please specify)		

Other:
static
We will probably reduce review staff as well, at least 2 people.
No material change one way or the other
About the same

22. What change do you anticipate for your organization over the next 12 months?		
		Response Percent
Reduce Staff		10.3%
Reduce Fee Panel		6.9%
Increase Staff		34.5%
Increase Fee Panel		10.3%
No changes		51.7%
Comments		÷

Comments: hiring a senior reviewer. Hopefully we are right sized - will depend if the volume meets the forecast. more back-end testing and QC But we NEED additional staff and resources. We see big growth ahead for the future.

	\$150,000 - \$200,000	\$125,000 - \$150,000	\$100,000 - \$125,000	\$90,0000 - \$100,000	\$70,000 \$90,000	\$50,000 \$70,000	Less than \$50,000
Valuation organization executive	42.9%	35.7%	7.1%	14.3%	0.0%	0.0%	0.0%
Chief Appraiser	39.1%	26.1%	26.1%	4.3%	4.3%	0.0%	0.0%
Appraisal Manager (Manages managers)	0.0%	13.3%	40.0%	26.7%	6.7%	13.3%	0.0%
Appraisal Manager (Manages Staff)	0.0%	4.5%	9.1%	40.9%	36.4%	4.5%	4.5%
Appraisal Reviewer	0.0%	4.3%	4.3%	8.7%	43.5%	34.8%	4.3%
Appraiser	0.0%	0.0%	21.4%	0.0%	21.4%	35.7%	21.4%

#### Comments:

Salary includes aggregate compensation from all sources. Base salary + incentive + vehicle allowance Do not have the other positions.

our staff ranges in experience so the reviewer range covers \$70k-\$100k. Our appraisal managers also range from \$90k-\$125k.

I don't manage HR, so not sure.

Similar to last year

	Response Average	Response Total
Desktop	8.35	142
BPO	6.13	98
AVM	1.94	33
Drive-by	17.52	368
Full appraisal	66.84	1,671
Other	11.87	178

25. What will your product line up look over the next 12 months? Give percentage			
		Response Average	Response Total
Desktop		9.81	157
BPO		6.07	85
AVM		3.33	50
AAVM		0.77	10
Drive-by		17.76	373
Full appraisal		65.68	1,642
Other		14.08	183

	Response Percent
Internal testing	29.2%
External testing	12.5%
Both external and internal	20.8%
Don't test and don't plan to	25.0%
Don't test but need to start	12.5%
Other (please specify)	•

Other:

Outer.
Does not use AVM's
Don't use AVMs
Incorporate third party and internal validation.
Do not use AVM
Not needed now.
Do not use
We don't use AVMs yet.
Don't use AVMs
We did a validation, very expensive. But the OCC does not allow us to use AVMs for lending, only portfolio management.
Regulatory RESPA changes are making us shy away from AVMS
Studying other methods

27. Do	27. Does your institution plan to use IVMs( interactive valuation models) in the future?		
		Response Percent	
Yes		21.4%	
No		78.6%	
Other	Other (please specify)		

Ot	her:	

	_
Possibly	
Not at this time.	

28. Do you plan on changing your usage of BPOs?		
	Response Percent	
Yes	13.8%	
No	31.0%	
I don't use BPOs	55.2%	
Explain		

Explanations:

Less reliance on BPO in default/collections with a shift toward Evaluations.			
BPO's rarely used and usually only for pre-foreclosure matters.			
We use them for default monitoring only			
Do not use them			
Will be engaging other analytics for collections			
We use some for REO's and that won't change.			
Cheaper alternative.			

## 29. What alternative products do you need that you cant find in the marketplace?

Responses:

A searchable comparable database for residential rentals (SFR, apartments, condos and mobile homes)
Evaluations, done correctly, are hard to find.
none
Standardized valuation products for Default
Desktop products.
None
Interactive evaluations and property condition reports where the lender can control the product uniformity of the AVM data
than our current process.
none at this time
Nothing right now.

Better and more wide-spread Restricted Appraisal Reports with increased data and analytics

#### none NA

We just started using Valuenet as an alternative valuation, inspected by a qualified inspector and written and signed by an appraiser.

None known

commercial evaluations - we have used First American but the product is not reliable.

#### 30. How does your organization procure appraisal services?

	Response Percent
Staff Appraisers	20.7%
AMCs	62.1%
Internal Dept using fee appraisers	55.2%
Other	3.4%
Other (please specify)	· · · · · · · · · · · · · · · · · · ·

Other:

AMCι	use is	less	s thar	10% ו	6 for	out d	of market	use only			
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We are about to begin to order direct from our approved preferred panel of appraisers in the first 1/4 of 2014 AMC for residential, staff for commercial

All of the above

31. How do you rank, review and audit your AMCs? Check all that apply.				
	Response Percent			
I don't use AMCs	37.9%			
Policy & Process Audits	44.8%			
Random file review	34.5%			
Review of panel mgmt stds	41.4%			
Reps & Warrants review	20.7%			
Scorecards for quality and service	41.4%			
Review of fees paid to the appraisers	37.9%			
Other (please specify)				

Other:

Along with regular on-site due diligence audits This works best for us.

# 32. Would you engage a third party company to audit your AMCs? Response Percent Yes 12.5% No 58.3% Maybe 29.2%

33. Will you be changing your AMC relationships this year?	
	Response Percent
Don't use them	37.9%
Plan on renegotiating contracts	20.7%
Will continue to use but will perform added due diligence	37.9%
Will rely on them more	3.4%
Plan to phase them out	10.3%
Comments	

Comments:

Use them on a very limited basis (single digit %)
renegotiating contracts does not necessarily indicate lowered fees, but higher controls
We will always have some relationship with the AMCs, but we plan on ordering directly from our panel of preferred appraisers
within our footprint. We would like to get to at least 50/50 with appraisers and AMCs
This could change.

## 34. What do you believe to be a fair and reasonable fee, per file, for the services of an AMC?

Responses:
do not use AMC's
20%
Cost Plus model, reasonable fee paid to the vendor plus an AMD administration fee \$80-100
\$75-\$125
100-135
\$100 to \$150 so long as they provide a good review product.
\$100-\$125
zero
75-100
don't use an AMC
20%
It depends on the AMC. Some I wouldn't pay anything for their services, some are actually providing great service. The
amount depends on the amount of service provided. \$100-\$125
The R&C fee paid to an appraiser plus \$50.
90
We pay about \$400, but I think \$440 is probably better with \$350 going to the appraiser.
That is negotiable. We want to save the bank money but quality is our #1 concern.

35. If you use an AMC over the past 12 months, how has the cost of your appraisal services changed?		
		Response Percent
Increased		30.0%
Decreased		5.0%
No significant change		65.0%
Comments	•	-

Comme	nts:
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do not use AMC's	
n/a	
They are about to increase but at this point they have not changed	. They have proposed increased fees we have not
approved them yet.	
about the same	

36. Does your institution manage a fee panel?			
	Response Percent		
Approved list	41.4%		
Do not use list	20.7%		
Both Approved and do not use lists	37.9%		
Don't manage a list	3.4%		
Rely on AMC for appraiser selection	6.9%		
Other (please specify)			

Other:

Limited AMC usage	
We require our AMCs to use our approved appraisers first and they must request to use an off panel appra	iser in our footprint.
Private lists	

37. Do you have an appeal process for appraisers after placement on your Exclusionary list?		
		Response Percent
Yes		50.0%
No		17.9%
NA, we don't have exclusionary lists		32.1%
Other (please specify)		

Other:

Our appeal process is prior to placement on the list.	
This is fairly standard	

38. Do	you have a Reconsideration of Value (ROV) policy?	
		Response Percent
Yes		75.9%
No		24.1%
Other (	please specify)	

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Deliciona are teo formal
Policies are too formal.
One and done!

39. Rate what yo	ou believe is the highest to lowest fraud issue (1 is highest 6 is lowest)						
	One	Two	Three	Four	Five	Six	Rating Average
Appraiser identity theft	8.0%	4.0%	4.0%	0.0%	28.0%	56.0%	5.04
Inspection issue	11.1%	14.8%	33.3%	7.4%	22.2%	11.1%	3.48
Illegal flipping	7.7%	15.4%	23.1%	30.8%	19.2%	3.8%	3.50
Value manipulation (changing values)	19.2%	7.7%	19.2%	23.1%	26.9%	3.8%	3.42
Value pressure	35.7%	21.4%	10.7%	25.0%	0.0%	7.1%	2.54
Short sale fraud	7.1%	32.1%	10.7%	21.4%	10.7%	17.9%	3.50

40. What is the approximate dollar value of fraud in your	organization?
	Response Percent
Don't have a number but is significant	19.2%
Have a number but it is not significant	50.0%

## 41. How many appraiser complaints did you file with State Appraisal Boards last year?

Responses:	
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TResponses.	
Zero	80%
0 – 10	10%
11-20	5%
21 >	5%

## 42. With mandatory reporting how many complaints do you anticipate for the next 12 months?

Responses:

Zero	80%
0 – 10	10%
11 – 20	5%
21 >	5%

	Response Percent
Internal model	15.4%
/endor model	30.8%
None	53.8%

Comments:

too subjective, need to be better quantified.
Positive results, but costly. Too much data and checking is burdensome.
No idea.

44. If we were to invest in technology this year, it would be to (check all that apply)	
	Response Percent
a. Improve quality and value accuracy in the field	46.4%
b. Improve thoroughness of the collateral valuation report	35.7%
c. MLS data and ability to view all market transactions	60.7%
d. Reduce the time it takes to produce an appraisal	17.9%
e. Better review tools	60.7%
f. Replace old or outdated technology	28.6%
g. To incorporate IVMs	10.7%
h. I will not invest in any technology this year even if I could	3.6%
achieve any of the above	
Other (please specify)	

Other:

We use lots of technology.

## 45. What is the single biggest challenge to your appraisal dept in the coming months?

Responses:

Overload from regulatory issues.	
Review appraiser productivity	
Mandatory State licensing, ability to expand and contract base on market volumes	
Regulatory compliance for residential lending.	
Reg/leg & compliance support issues	
Managing the evaluation process	
Absorption of new review activities/volume.	
Communication with production staff to obtain good information prior to engagement.	
Inconsistency across LOBs	
Maintaining quality in the face of production demands.	
Being able to afford more assistance, yet getting all the work done.	
timing of appraisal completion	
Compliance w/new regs	
Engaging quality appraisers	
Consistency between staff methodology	
rolling with the constant change.	
Regulatory oversight	
managing al the reviews	
independence	
Increasing appraisal quality	
Changing over from AMCs to ordering direct and managing the panel	
Too few people to manage the needs of the department.	
Cost performance	
Finding a low cost product for small dollar consumer loans of very loan LTV ratio consumer loans.	
Fraud.	

#### 46. What are the biggest challenges facing chief appraisers?

Responses:

Balancing regulation vs business needs.

Keeping up with the regulatory changes and the regulators reinterpretation of certain regs. Different regulators have different standards depending on the size of your institution

Regulatory compliance

Time

Keeping abreast of, and adjusting to numerous regulatory changes.

Good communication with loan production staff and credit underwriting.

Regulatory compliance and reporting

Maintaining quality in the face of production demands.

Moving targets on rules and regs.

staying abreast of all the federal, state, and industry changes

Supported value and overall quality of the report.

The appraisal industry is failing. Quality appraisal reports are few and far between. We eliminated the AMC model hoping for better quality (pay appraiser their full asking fee in return for quality reports) - but, appraisers are either not trained or don't want to take the time to produce quality reports with supported adjustments.

Appeasing upper management and accommodating staff at the same time

1- New and changing regulations 2-Being the collateral control point is often challenged. It requires a high degree of trust and support from upper management. The inherent conflict of interest between Valuation risk and lenders leads to many disagreements.

Dumb questions and smart ass comments from account officers....hasn't changed in 35 years I've been in the business being independent. The sales organization in many banks still run the show

Regulatory changes and compliance risk.

Compliance, managing staff, doing more with less.

Keeping up with changing regulations, pressure from sales, too many duties to keep up with the volume of inquiries and changes.

Senior Management education. Now that the cycle is back on the up swing, appraisals are not considered as important and banks want to find cheaper appraisers or alternative sources for smaller loans. Management outside of the appraisal departments still do not buy into the importance of importance of a strong appraisal department. They say they do but when it comes to staffing, department costs, or cost for appraisals, lowest cost wins over quality.