



Introduction

Thank you for taking the time to complete this survey of AMC Chief Appraisers, Compliance Managers and others from your management team. This information is valuable as guidance for me in overseeing the activities of the Collateral Risk Network. It is also important intelligence for the valuation community. Your feedback is vitally important to your clients as well in assessing their vendor relationships.

It will be interesting to compare the CRN Lender Survey with the CRN AMC Survey to determine where there might be intersection of ideas and where there may be gaps.

Thanks again.

Regards,

Joan. N Trice

Founder, Collateral Risk Network

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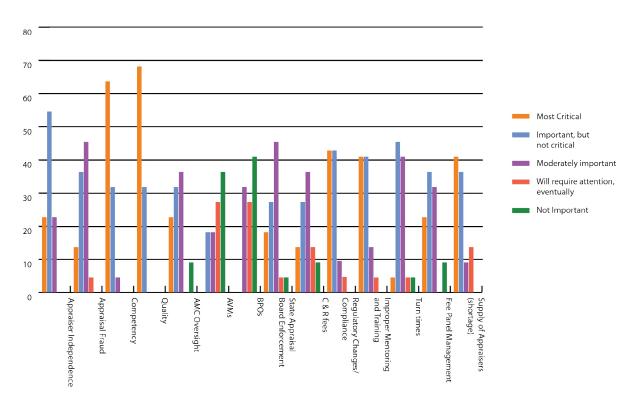


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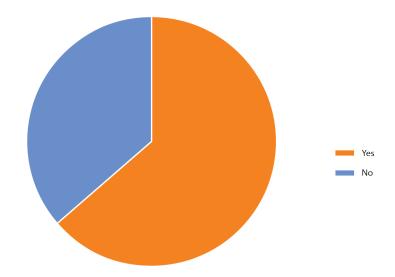
What do you consider to be the most pressing issues facing the appraisal profession today?



We need to focus on moving away from form filling and the profession has to leverage automation and analytics. Then we can bring more young talent into the profession and solve several of the critical items noted above simultaneously.

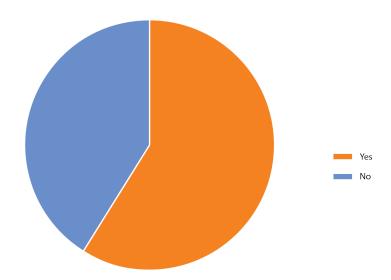
IT security compliance and risk assessment

Do you believe we need to reengineer the Appraisal Process?

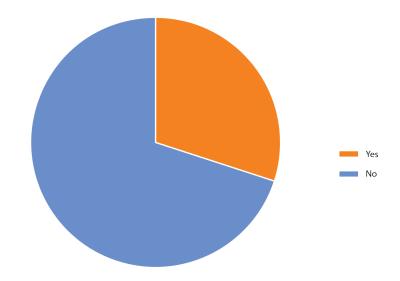


Not so much the process as what we use to complete and report it.

Do new appraisal forms need to be developed?



Do you think FIRREA is outmoded?



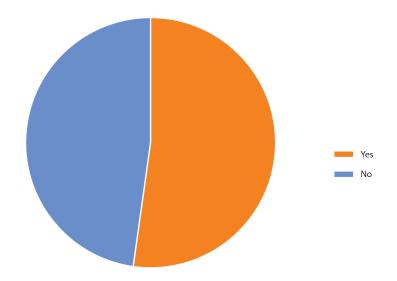
If yes, what do you think should be the structure if you had a blank slate?

Remove information items from report such as flood panel info, price per square foot calc

More structure for appraiser comments and reconciliation.

Get the federal oversight out of appraising. Appraisers should be like all other licenses. Managed by the states only.

Does appraisal independence remain a problem?



If yes, describe how you think violations may be occurring?

At the Realtor level.

Brokers are allowed to choose their appraisers and set up their own lists/panel

Realtors and LO's "Coaching" borrowers to apply pressure to appraisers.

Real estate sales people continue to drive the process and not be held accountable— no legislation I am aware of addressed the RE agents as it relates to residential lending even though everyone else involved in in the industry from lenders, appraisers, down to servicers have been addressed— in essence there are 2 sellers agents who's aims are both to get the highest price (commission) and get the deal closed—no one is truly protecting or representing the buyer.

I think this problem lies in the smaller mortgage banking channels with low to no regulatory oversight. They are finding ways to manage their own panels and are still applying pressure. This issue is almost completely resolved at the institutional level e.g. regional and national banking institutions or any mortgage originator large enough for regulatory interest.

Many companies handle it internally to control the process and their is no control.

Brokers continue to find ways to directly influence appraisals. As long as LO's are commissioned there is simply too much temptation to "make a deal happen".

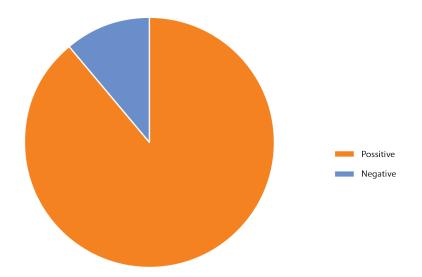
Mortgage brokers and sales agents are the problems. Not AMCs.

Circumventing the process by coaching borrowers and those outside of AIR's reach on how to pressure appraisers.

Correspondent lenders have little to no knowledge or concern of the importance AIR plays.

Small AMC's are allowing brokers to choose appraisers.

Has CU positively or negatively impacted the appraisal process?



However- need tools available to AMC's

CU has legitimized the use of automated appraisal review tools, which was much needed in the process to improve quality.

More delay with limited transparency.

CU is creating more fear and less support in the field. We should be using these tools to support appraisers in their roles. It would be great if we used these tools to improve the strength and reliability of an appraisal while also increasing the appraisers confidence in their work product.

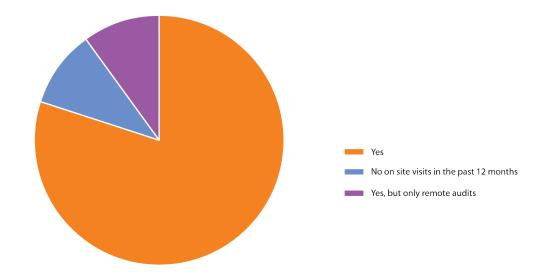
Indifferent.

Cu is a non-starter. Meaningless program.

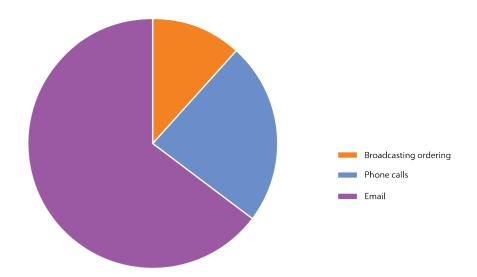
Too soon to measure.

Moderate impact, underwriters left to interpretation are out of their element.

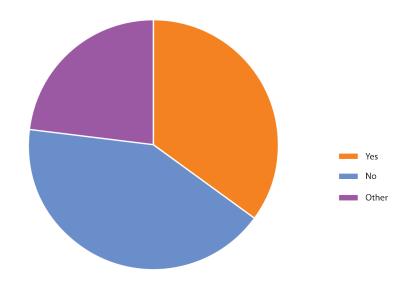
Is your company routinely audited by your clients?



How do you order appraisals?



With the new AMC FINAL Rules do you anticipate that you will be changing any policies?



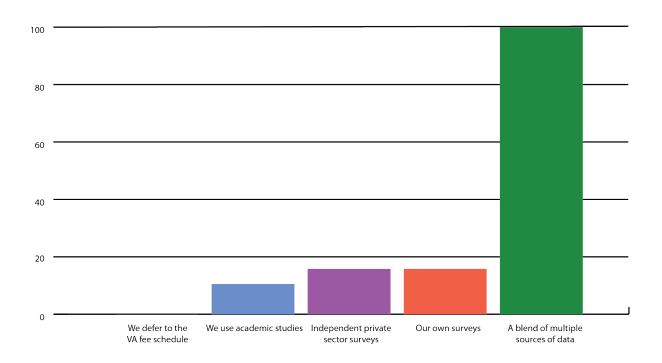
Potentially. Still in discussion.

Depending on what happens in states that do not adopt any AMC regulations yes. Other than that, no.

We were already compliant to the proposed rules. Other than costing more money it doesn't change the way we do business. Will cut appraiser panel.

Not many, most areas already being accounted for in current policies.

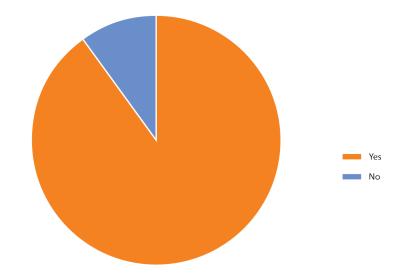
How do you establish a C&R fee?



Does not apply.

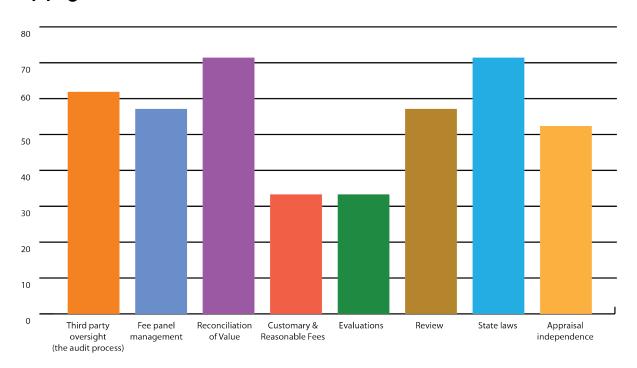
None. C and R is a violation of the commerce clause.

Do you think your organization has adequately communicated policies, procedures and guidelines to your appraisal vendors?



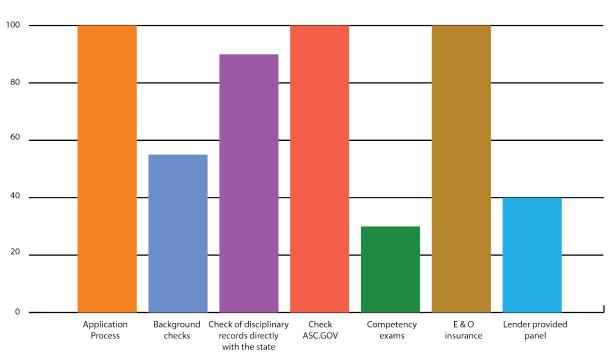
Mostly through newsletters, portals, and engagement process both at the initial onboarding and order level.

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

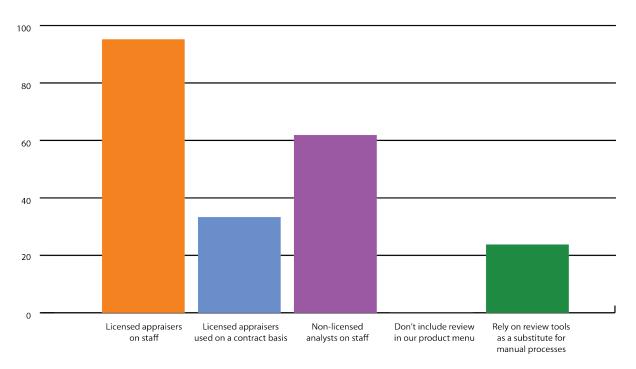


Appraiser's need to understand intended user and IT security protocols and risk assessment. intended use. The "eyes" the lending community applies to these reports is foreign to clear majority of appraiser's.

How do you handle fee panel management? (Check all that apply)



What does your review process look like?



PD provides appraisal review technology for our AMC and lender clients that are deployed within their appraisal review process.

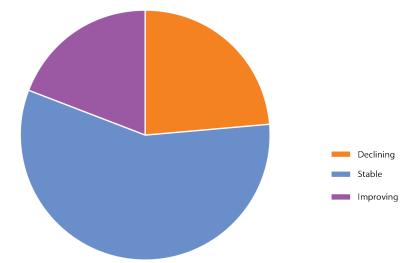
Use tools as well, but not in lieu of manual process.

We have Certified appraisers, not licensed.

We use a combination of processes to support appraisal review depending on Std 3 review or admin QC.

Manual and automated reviews.

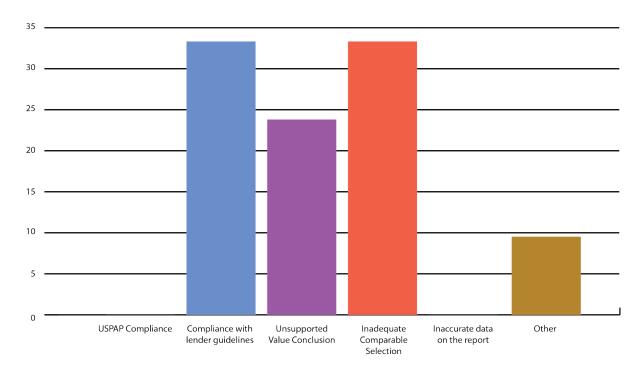
How has overall appraisal quality changed over the past 12 months?



With tools like CU becoming the norm we are identifying more areas to ask additional questions, but are also able to identify when there does not appear to be any additional beneficial

data available. I don't think quality has changed in past 12 months, we are just more aware of possible gaps.

What is the most common appraisal quality issue?



Appraiser's lack of understanding of the intended user and intended use lends itself to basic questions and support the intended user requires not being provided in the appraisal report. Appraisers for the most part can supply the information and clarification required but majority do not in first pass.

Boilerplate and lack of support for conclusions

Compliance with lender guidelines and insufficient narrative to support the decision

Lack of customer service and business acumen.

And unsupported Value Conclusions.

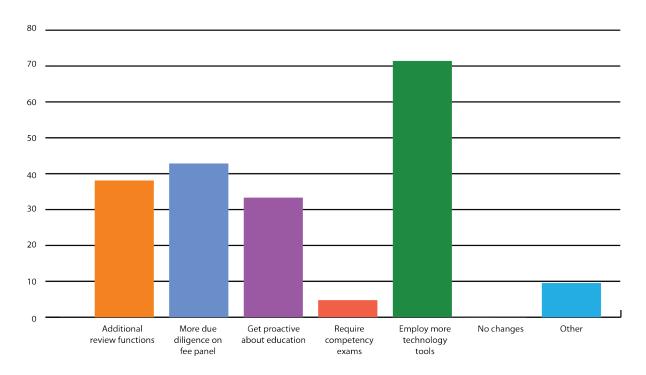
What alternative products do you need that you can't find in the marketplace?

Ability to easily track one appraiser who moves from one state Desktop valuations will become the new drive-by. to another and gets a new license number.

I think this needs to be a focus on the appraiser tools.

Affordable national MLS.

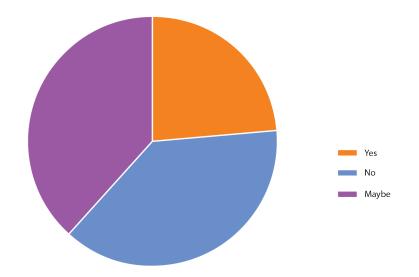
Which choice(s) best represents your plan to improve appraisal quality in the next 12 months?



All the above are standard and should be standard but to truly make an improvement we need to think broader and invoke more change at the appraisal level. We need to give these folks better tools, as I believe the better part of the field appraisers really want and try to provide a quality product. They need more to work with.

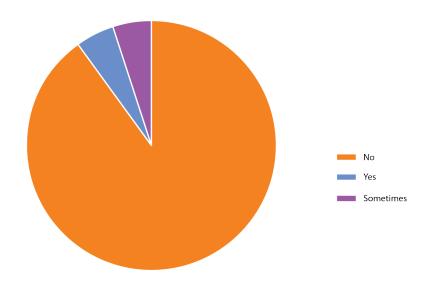
Improving quality must come from the appraiser, not the AMC. It is a personal choice on the part of the appraiser.

Do you believe that illegitimate AMCs are a problem?

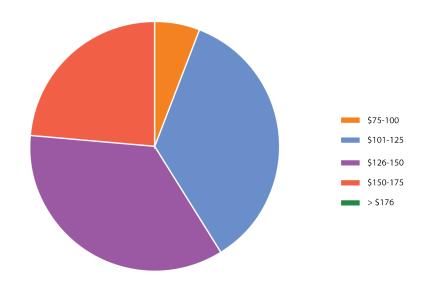


Any illegitimate appraiser providers (AMC's, one person shops, etc.) all hurt the business

As an AMC do you engage other AMCs?



If a "cost plus" model becomes the norm what fee do you deem appropriate per file?

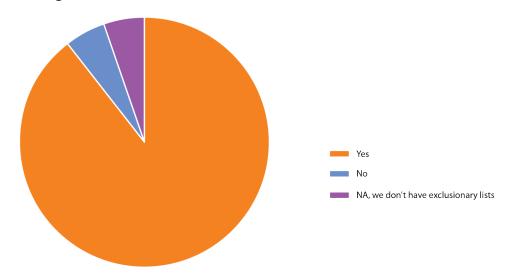


Depends greatly on lender requirements, SLA, oversight, insurance, footprint, etc.

We have always been cost plus.

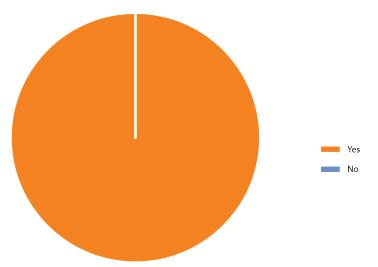
Depends on product and scope of work.

Do you have an appeal process for appraisers after placement on your Exclusionary list?



Lenders produce exclusion lists.

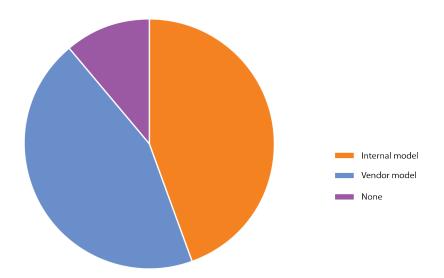
Do you have a Reconsideration of Value (ROV) policy?



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

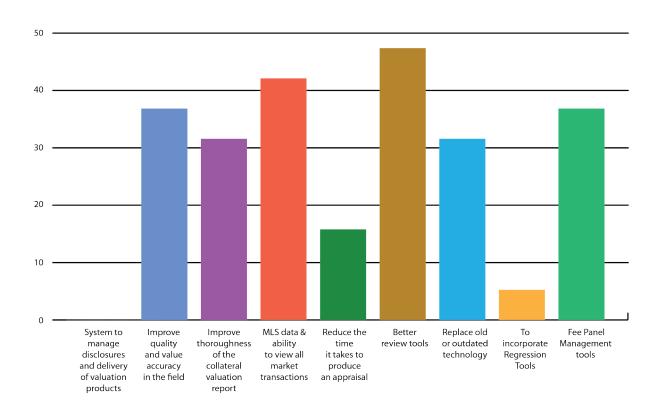
Less than 20	3
25	Several
25	10-15
Five	45
5-10	1

Do you use collateral scoring with any valuation products?



Mainly use CU to ensure additional due diligence on higher risk scores. All reports still receive full manual review regardless of score.

If we were to invest in technology this year, it would be to (check all that apply)



Compliance to client requirements.

Anything we forgot to ask and you would like to comment on?

Real Estate agents and their place in the process needs to become part of the solution and better defined.

What can the government and private sector do to entice/develop the next generation of appraisers so the mortgage market doesn't see similar negative impacts from mortgage volume fluctuations.

Appraisers have no idea about compliance and upcoming IT security requirements. It's a tidal wave and it's cresting.

What are the biggest challenges facing chief appraisers?

Over-bearing client overlays.

Not enough time in the day! Time management.

Ensuring compliance with regulations while also ridding the marketplace of mis-information.

The disconnect between appraisers, lenders, and AMC's. Appraisers do not understand that they are completing tasks for the lender. The lender does not understand that the AMC cannot just demand the appraiser do exactly what they want.

Independent appraisers who think they know it all. But don't.

Under educated and inaccurately educated appraisers.

Regulatory inconsistency on a state by state basis. Third party review policies that differ so drastically between states, and offer very little lift.