

Are you ready?



HUD/FHA - GSE's | Home Valuation Code of Conduct

The finalized version of HVCC enforce realignment of appraisal fulfillment processes for all lenders conducting business with the GSE's and now, effective January 1, 2010 with HUD/FHA.

Did you know you can keep your own roster of approved appraisers and either do a blind selection or do a direct manual selection of the appraiser who is qualified for the job and still be in compliance? Are you obtaining the correct valuation reports when using an AMC that might not have the qualified appraisers? Have you increased your operating expenses by implementing your own Appraisal Management Department to comply with HVCC?

Did you know you can obtain all these services FREE when using us for your HVCC compliance? Outlined below is a checklist for structuring compliance with the code. We hope you find this checklist helpful as you evaluate your process:

ISOLATION:

Can you effectively isolate the following from the appraiser identification, selection, retention, communication and compensation process?

- ✓ Your entire loan production staff
- ✓ Anyone compensated or commissioned on loan production
- ✓ Everyone who reports to loan production management or leadership

PERSONNEL:

Do you have, or can you acquire "appropriately trained and qualified in the area of real-estate appraisals" personnel, totally independent of the loan production staff, to document, manage and execute a 100% HVCC compliant process? And if you do, how much is costing you?

- ✓ By having a Rotation Manager who is not part of your production staff you can manually select your approved appraiser based on the qualifications needed for that specific loan, area, type of property, etc. and then assign it to the production staff
- ✓ Maintain a documented, auditable conversation log between your production staff and the appraiser. Print the conversation log and make it part of the loan file
- ✓ Maintain a documented, auditable compliance registry of the date and time of the delivery of the consumer's copy of the appraisal
- ✓ Ensure any appraiser exclusions are done with written notice of illegal conduct, USPAP violation, violation of state licensing standards, proof of substandard performance, improper/unprofessional behavior – or other substantive reason
- ✓ Maintain a documented, auditable management report from where you can obtain the Appraiser's Performance, Appraisers Area Coverage, compensation of each appraisal assignment
- ✓ Ensure appraiser list was/remains developed free of any influence or recommendation from the loan-production staff
- ✓ Ensure appraiser disciplinary matters are documented and communicated to licensing agencies or other relevant regulatory bodies

TECHNOLOGY:

- ✓ Adequate technology to select, assign and effectively manage the appraisal fulfillment process with the desired level of pipeline management, report management, and accounting functionality?

REPS & WARRANTS:

- ✓ Represent and Warrant the process on every applicable loan

If your business model is reliant on Freddie/Fannie and FHA, can you really afford to jeopardize your ability to sell and insure loans? It might make sense to check out what we offer at MDS/AF...

Why MDS/Appraisal Firewall?

MDS/AF is not your traditional AMC

"MDS/AppraisalFirewall is not your traditional AMC platform," says Maritza Selva, President of MDS, Inc. San Juan, PR and Dave Black, President and CEO of SharperLending LLC in Spokane, Wa. (Appraisal Firewall is Powered by SharperLending LLC) "Traditional AMCs have their place in the US market serving the national lenders. What sets MDS/AF apart is that it is focused on the lender's trusted appraisal relationships and not the lowest-cost appraisal provider. Lenders get the highest quality appraisal because they bring their established appraiser panel to the platform and put them in a rotation based on preference, turn times, and coverage to make their relationship compliant. Appraisers do business with their same lenders for full fee valuations, and in being on the platform; they get exposure with other lenders for addition to their panels, or for out-of-area needs. Lenders reduce their cost and hassle of appraiser rotation management, and appraisers need to be available on all platforms in anticipation of HVCC. Signup is free for lenders and appraisers, and there are no membership fees." This is why MDS/Appraisal Firewall is not a traditional AMC".

Technological Ingenuity

Lenders can signup with MDS and we will send online invitations to their current appraisers, who can register with MDS/Appraisal Firewall and be placed in that lender's appraisal order rotation. This allows lenders and appraisers to keep their local established relationships they have in place today, and adds HVCC compliance required by the GSE's and now HUD/FHA through an automated blind appraiser panel rotation. You can either do a blind automated appraiser selection or you can assign a specific Rotation Manager to do a manual appraisal selection and still be HVCC compliant. Appraisers receive the same fees they have negotiated with their lenders today.

Innovative Solutions

The system also offers blind fee negotiations between the two parties, dispute and review management, audit tracking and management for the entire transaction. All these features provides tools the lenders need to certify themselves and each appraisal as HVCC Compliant.



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You will with MDS/AF