



## US Appraisal Group Policy and Procedures: HVCC

### I - Appraiser Independence

A-US Appraisal Group will only engage licensed and certified appraisers in good standing. License information is verified via [www.ASC.gov](http://www.ASC.gov) website and extensive references are checked via our screening process.

B- (1-7) All orders placed via the standard US Appraisal Group Web-order will contain only the Sale Price and "notes field is filtered/screened internally so that only superfluous messages are allowed at the appraiser engagement level (i.e. Mrs. Brown works nights please contact her in the afternoon after 2 PM) Loan amounts info will not be provided to the appraiser.

(8) Requests for removal or exclusion of an "approved" US Appraisal Group Appraiser Panel member shall only occur after internal senior management review of written evidence and subsequent delivery to and response from identified appraiser.

(9) Orders for "second appraisals" (new assignments) on the same property will be "flagged" internally for discussion with client. Per code (i) unless clear basis exist for a flawed valuation exists in the loan file and that basis is subsequently delivered to US Appraisal Group, second appraisals will be denied. Exceptions include appraisal "updates" within a 90-120 day period or when an appraiser has failed to address any arbitration issues where material facts are noted as incorrect and changes are imminent but not made.

(10) Appraisers are encouraged to contact US Appraisal Group (confidentially) under ANY circumstances and provide specific details regarding any real or perceived pressure.

C- US Appraisal has an existing "arbitration" process whereby additional information or clarification can be requested and or factual errors are noted. Such information is provided to the appraiser and may include: comparable sales, market studies, MLS statistics tax cards, recent appraisals, blueprints, builder's brochures, tax records, BMA's, underwriters inquiries and lender in-house SME review results. In all cases the appraiser is required to respond specifically and or make any amendments/adjustments that may be appropriate based on this new information.

### II Borrower receipt of Appraisal

This policy will be developed as a client specific policy. Clients will need to consider: Is the borrower an intended user? Will this be allowed in addition to arbitration? Is three days prior to closing enough time to allow investigation? Will borrower be permitted to contact the appraiser directly (as a user or unintended user)? Will the client see the benefit of an US Appraisal Group in-house "summary review" or FAQ?



### III Appraiser Engagement

(A) US Appraisal Group will select appraisers, retain records, and make payments to any appraiser that has been engaged as a result of an appraisal assignment. Selection process will be based on existing quality and service criteria and MAY utilize Lender provided panels where appraisers are licensed and screened by US Appraisal Group quality control. Appraisals provided to US Appraisal Group from clients seeking to use another Lender's report as a "transfer appraisal", will be treated as quality control appraisal reviews. A Standard 3 Desk Review will be conducted. No other assurances can be made on such files.

(B) Direct contact with loan production will be prohibited and will be identified to the client as needed.

(C) All US Appraisal Group personnel involved in list compilation and or selection and appraisal review should be trained and qualified in real estate appraisals via licensure in jurisdiction of residence. Those administrative tasks that do not involve judgment or redaction and aggregation, website volume or profile adjustments, web site information checks or web site updating, are not considered "involvement".

### IV- Prevention of Improper Influences on Appraisers

US Appraisal Group, Inc. is an appraisal process consulting and management firm that locates the best real estate appraisers for commercial and residential client needs. Each client receives a complimentary needs analysis to determine the optimal way to handle their appraisals. A customized solution is then built which helps clients be more efficient, save time and resources, and consolidate appraisal orders to one source. US Appraisal Group consists of a corporate office and virtual alliances located throughout the nation and offers services internationally. US Appraisal Group, Inc. is a privately owned Illinois-based corporation. There is absolutely no stock owned, in whole or part, by any lender, affiliate of a lender, or real estate settlement services provider. US Appraisal Group, Inc. is committed to protecting appraisers from value pressure and chooses appraisers solely based on the quality of their work and expertise in their respective market areas

US Appraisal Group provides the mechanism to allow a lender to be compliant as it relates to items (B) 1-8. US Appraisal Group is committed to cooperation with all lenders, FNMA and the IPV and is, by placing these operational policy guidelines in place, proactive in the achievement of check and balances as it relates to the HVCC. US Appraisal group will fully cooperate with regard to any and all and "referrals" of non-compliance.

C Not applicable here

D Not applicable here



#### V The Independent Valuation Protection Institute

All appraisers will be informed of the IVP phone number and e-mail address. “Best practices” for Independent Valuation (TBD) can be developed (extracted in summary form from USPAP)

#### IV Appraisal Quality Control Testing

As part of its core competencies US Appraisal Group can facilitate Standard 3 quality control audit reviews for clients. The scope of these reviews is client-specific but will, at a minimum, include: verification of data, use of recognized methods and techniques, reasonableness overall support and completeness of analysis, as well as the subject’s sales history and final value reconciliation.

#### VII- Referrals of Appraisal Misconduct Reports

See part IV

#### VIII Reps and Warrants

The tenets of the HVCC can not be accomplished with the client’s partnership. So while any compliant AMC is the vehicle to accomplish what the Code intends, there is no way, as a third party, to ensure that ALL measures on the lender’s side have been taken and met. No AMC can verify or manage the actions of loan production staff or in-house lending operations. Therefore it is imperative that the Lender acknowledge that while a sound and prudent policy and procedures doctrine is best practice, good faith and results are only likely to result in success where culture and desire serve as an advocate. It is the recommendation that the client agree to “partner” with US Appraisal Group in writing so that both parties are protected and all intentions are binding.

#### IX- Scope of Code

(1) Not applicable here

(2) Scope of work decisions are appraiser-based. Client-appraiser discussions are encouraged as needed. US Appraisal Group will provide client guidance as it relates to “scope of work” in complex cases. Nothing in HVCC is construed to alter the “scope” of an appraisal, but merely selection, engagement, payment, and arbitration of the appraisal process.