



US Appraisal Group Policies and Procedures Appraiser Independence Requirements

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 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 will not be provided to the appraiser. Conditions to the appraisal will not be made with the threat of withholding or promising future business, and payment will not be contingent upon the result of an appraisal.

(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) All appraisals ordered will be subject to the requirements stipulated by the Truth in Lending Act (TILA), Regulation Z, and the Uniform Standards of Professional Appraisal Practice (USPAP).

II – Acceptability of Subsequent Appraisals

Orders for “second appraisals” (new assignments) on the same property will be flagged internally for discussion with the client. Per code (i) unless reasonable basis 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, (ii) an appraisal does not adhere to written, pre-established quality or underwriting guidelines, so long as the seller selects the most reliable appraisal, or (iii) a second appraisal is required by law.

III – 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 a US Appraisal Group in-house “summary review” or FAQ? Typically the client will provide a copy of the appraisal to the borrower, at no additional cost, three days prior to closing, unless that requirement is waived by the borrower.



IV – 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) An employee of the seller in the sales or mortgage production function will have no involvement in the operations in the appraisal function. Any direct contact will be prohibited and 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".

V – Use of Appraisal Reports by In-House Appraisers or Affiliated Appraisers

In order to ensure compliance, all orders placed through US Appraisal Group will adhere to these Appraiser Independence Requirements.

VI – Transfer of Appraisals

Appraisals prepared by an appraiser selected by another lender may be delivered to Fannie Mae provided the appraisal is obtained in a manner consistent with these Appraiser Independence Requirements.

VII – Referrals of Appraisal Misconduct Reports

Any reasonable basis to believe an appraiser or appraisal management company is violating applicable laws, or engaging in unethical conduct, should be reported to the applicable state appraiser licensing agency or other relevant regulatory bodies.

VIII – Compliance

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)1-9. 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.