

Are you ready?



Lender Solutions | Home Valuation Code of Conduct

The finalized version of HVCC will force realignment of appraisal fulfillment processes for all lenders conducting business with Fannie/Freddie. Outlined below is a checklist for structuring compliance with the code. Any unchecked items could result in an inability to sell a loan to Fannie/Freddie and violators could be terminated from their accepted originator list. We hope you find this checklist helpful as you evaluate your processes:

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? Specifically:

- ✓ Unbiased identification, selection and management of approved and qualified appraisers
- ✓ Conduct ongoing appraiser selection and assignment audits for appropriate licensing, e&o insurance and complaint/disciplinary issues
- ✓ Maintain a documented, management-approved, auditable compliance and disciplinary policy for selection, instruction, communication and compensation of each appraisal assignment
- ✓ Ensure appraiser list was/remains developed free of any influence or recommendation from the loan-production staff
- ✓ 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
- ✓ Ensure timely, unbiased appraiser payment
- ✓ Manage the appraisal-receivable / appraiser-payable function understanding appraisers cannot collect funds directly from the borrower
- ✓ Ensure borrower receives free copy of appraisal within three business days of closing
- ✓ 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, can you really afford to jeopardize your ability to sell loans? It might make sense to check out what we offer at MDS...

Why Mortgage Documents Solutions, Inc.?

MDS is not your traditional AMC

"AppraisalFirewall is not your traditional AMC (appraisal management company) platform," says Maritza Selva, President of MDS, Inc. San Juan, PR and Dave Black, President and CEO of SharperLending LLC in Spokane, Wa. "Traditional AMCs have their place in the US market serving the national lenders. What sets MDS 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 through an automated, blind appraiser panel rotation. The need for lenders to manage their appraiser panel rotations in person is eliminated, and 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 the tools the lenders need to certify themselves each appraisal as HVCC Compliant.



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You will with MDS