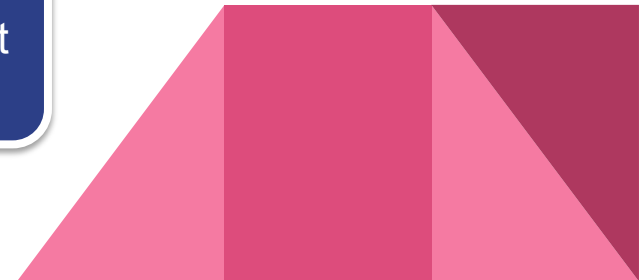
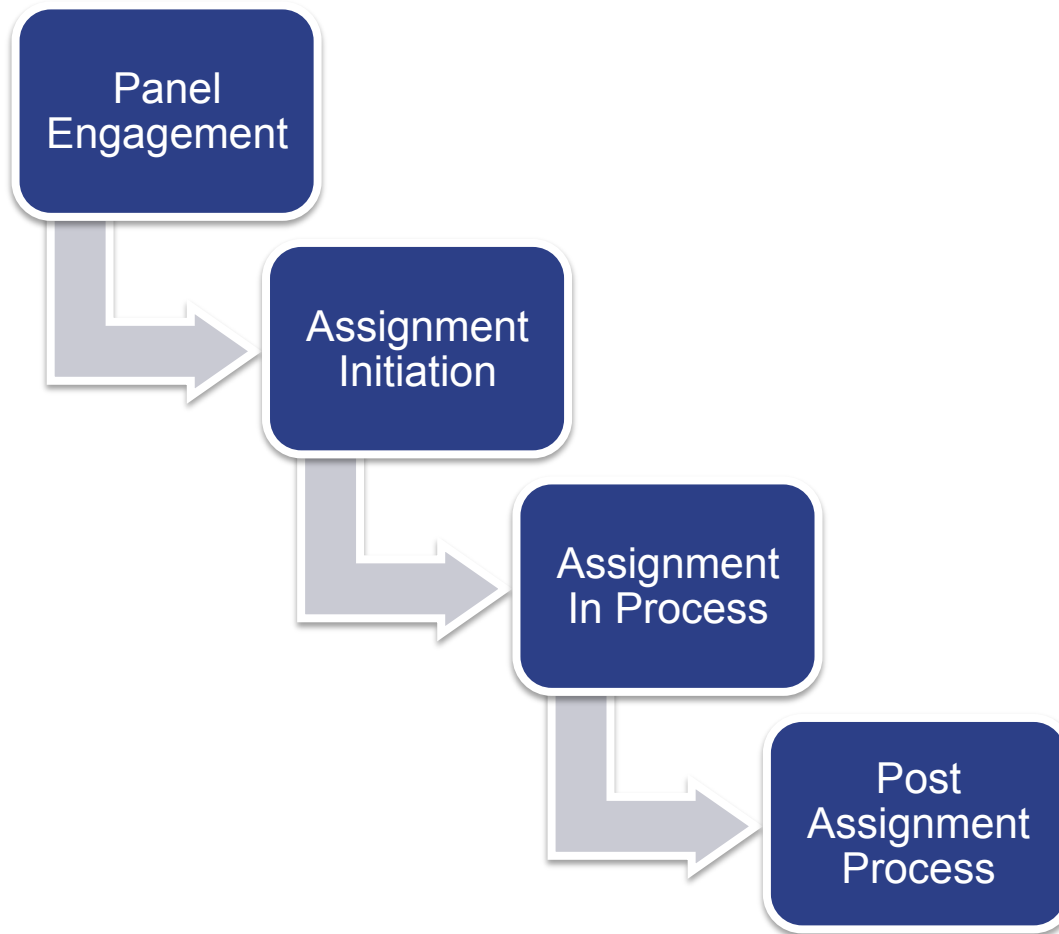


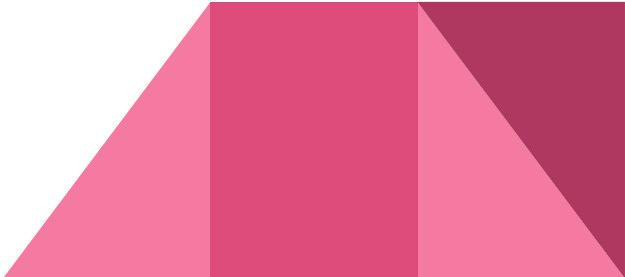
# Appraiser “Rules of Engagement”

A working group of the CRN Industry Relations Committee

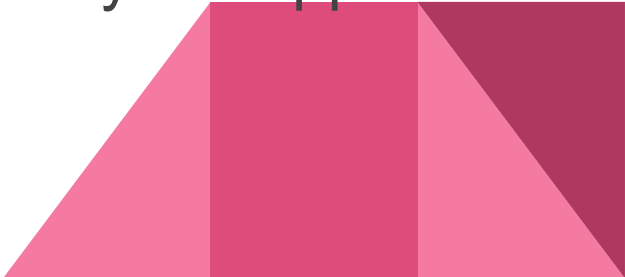
# The Engagement Categories



# Panel Engagement

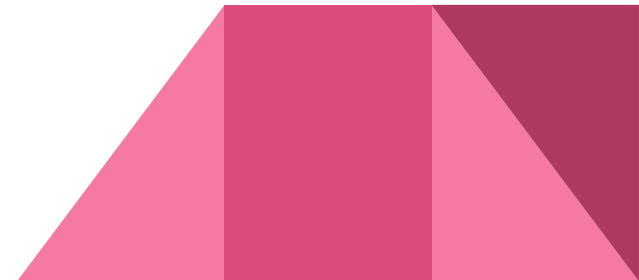
- AMCs should have policies regarding complex appraisal assignments and how additional fees are calculated.
  - AMCs should consider the appraiser's qualification, experience and work quality in the fee structure.
  - AMCs should consider additional reporting and inspection requirements above guidelines in the fee structure.
  - AMCs should not force an appraiser to agree to that the fee for the assignment is "customary and reasonable."
  - "Recent Rates" should not be considered a measurement of "reasonable" fees. These most likely reflect under-market fees.
- 

# Panel Engagement

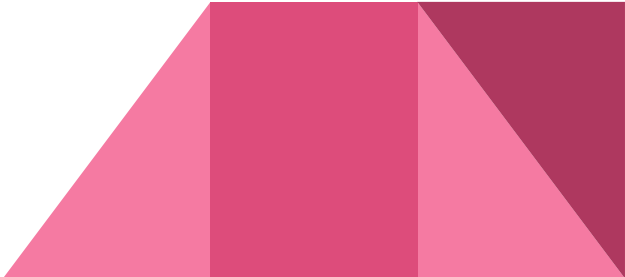
- AMCs should not charge appraisers technology fees, panel fees or click fees that erode customary and reasonable rates.
  - AMCs should adopt the cost-plus model.
  - Prohibiting a panel appraiser from working at multiple appraisal companies must be prohibited.
  - AMCs should not engage other AMCs.
  - AMCs should provide baseline fees and make these available online.
  - AMCs should have a system in place to handle anonymous complaints and/or complaints by the appraiser regarding their service/relationship.
- 

# Panel Engagement

- AMCs should retain business records regarding the service request for a period of 5 years.
- AMCs should be willing to submit themselves to annual independent compliance audits.
- AMCs should notify Appraiser if placed on a DNU list and/or their capacity is reduced.
- DNU lists in general - Policies and procedures should listed on their website or SLA.
- Expectations in General - Policies and Procedures.

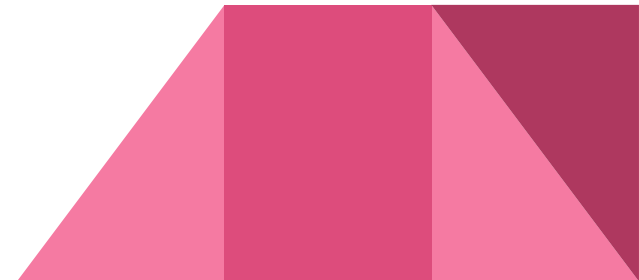


# Assignment Initiation

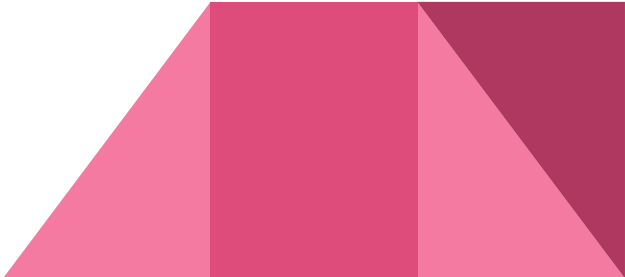
- Broadcast orders: broadcasting focuses on price and is not considered to be appropriate appraisal management.
    - Broadcast orders contribute to unreasonable fees and undermine the consumer's well-being.
  - AMCs should not tie the due date to the inspection date.
  - AMCs should give the Appraiser adequate time to respond to the order.
  - AMCs should not implement a "preferred list" based on the lowest fee.
  - AMCs Should not force fees based on the "average of complexity."
- 

# Assignment Initiation

- AMCs should adopt specific assignment requirements for Individual lenders and not amalgamate all of the requirements into one assignment requirements document.
- AMCs should not force an arbitrary turn time based on SLAs.
  - AMCs should rely on appraiser judgment regarding their ability to meet all the relevant legal and professional obligations required in an assignment.



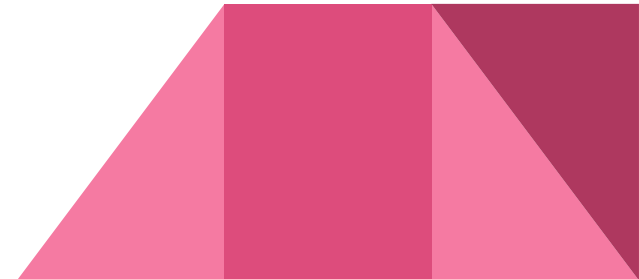
# Assignment In Process

- AMCs should not inundate appraisers with status updates either by phone or web
    - AMCs should consider email as valid updates.
  - AMCs should not require appraisers to address an unreasonable amount of alternative sales.
  - AMCs should not require a lengthy list of sales that are ruled out as comparables.
  - AMCs should not require appraisers to use non-comparable properties to meet boilerplate GSE guidelines.
- 



# Post Assignment Process

- AMCs should request revisions one time; review the appraisal, receive the revisions and submit it to the lender.
- AMCs should notify the appraiser when the assignment is closed.
- AMCs should pay the appraiser within 45 days after the assignment is closed.
- Real Time Electronic review issues.
- AMCs should have policies and procedures around Reconsideration of Value (ROV) requests.
  - Are ROV requests researched by the AMC?



## Other Issues...

Ernie Durbin, SRA, AI-RRS

[ernie@durbin.com](mailto:ernie@durbin.com)

513-608-2833

