



Understanding Appraisal Management Companies Through Some Key Statistics



LIA Administrators & Insurance Services

Notes about data supporting statistics:

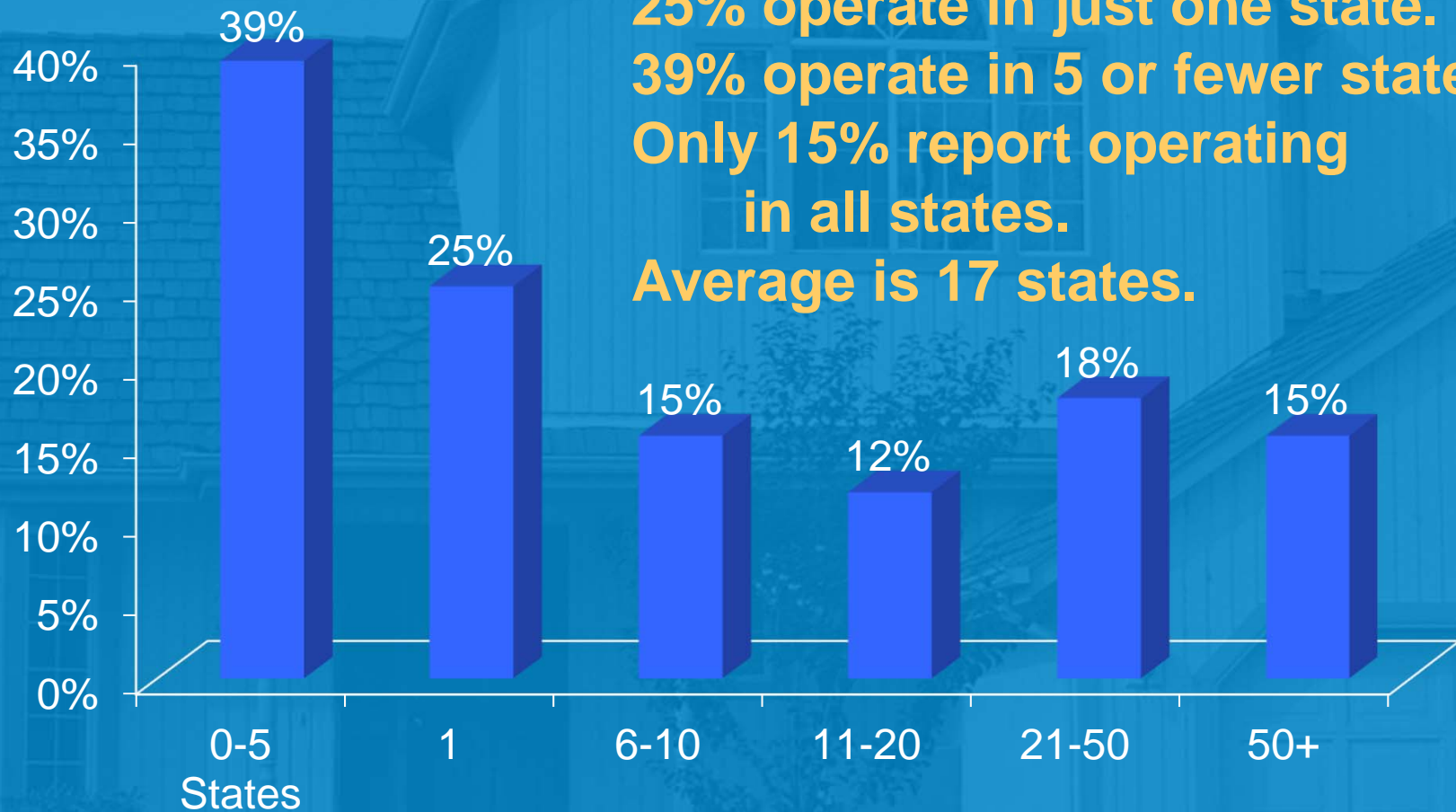
- Approximately 140 AMCs.
- AMCs in pool are generally more stable than average – they have an business that is worth insuring or have clients requiring them to do so.



AMC Headquarter States



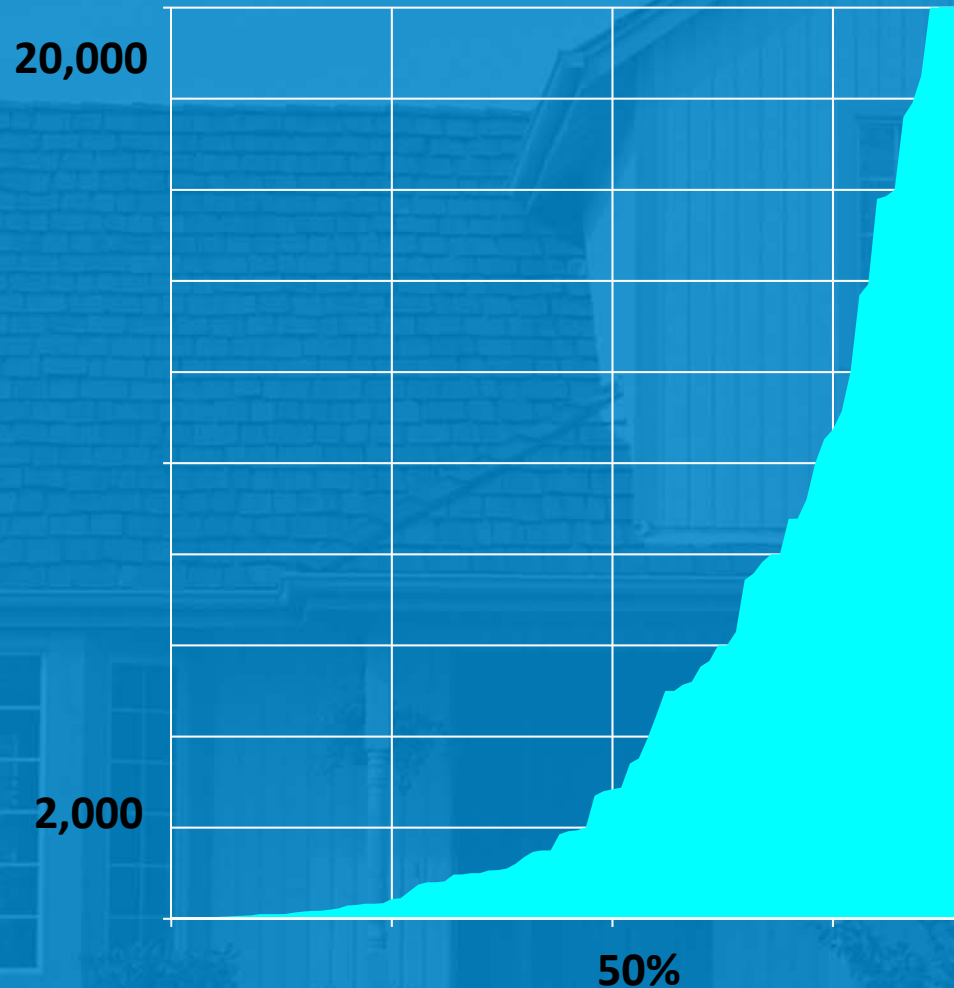
Number of States in Which AMC Operates?



**25% operate in just one state.
39% operate in 5 or fewer states.
Only 15% report operating
in all states.
Average is 17 states.**



AMCs by Number of Panelists

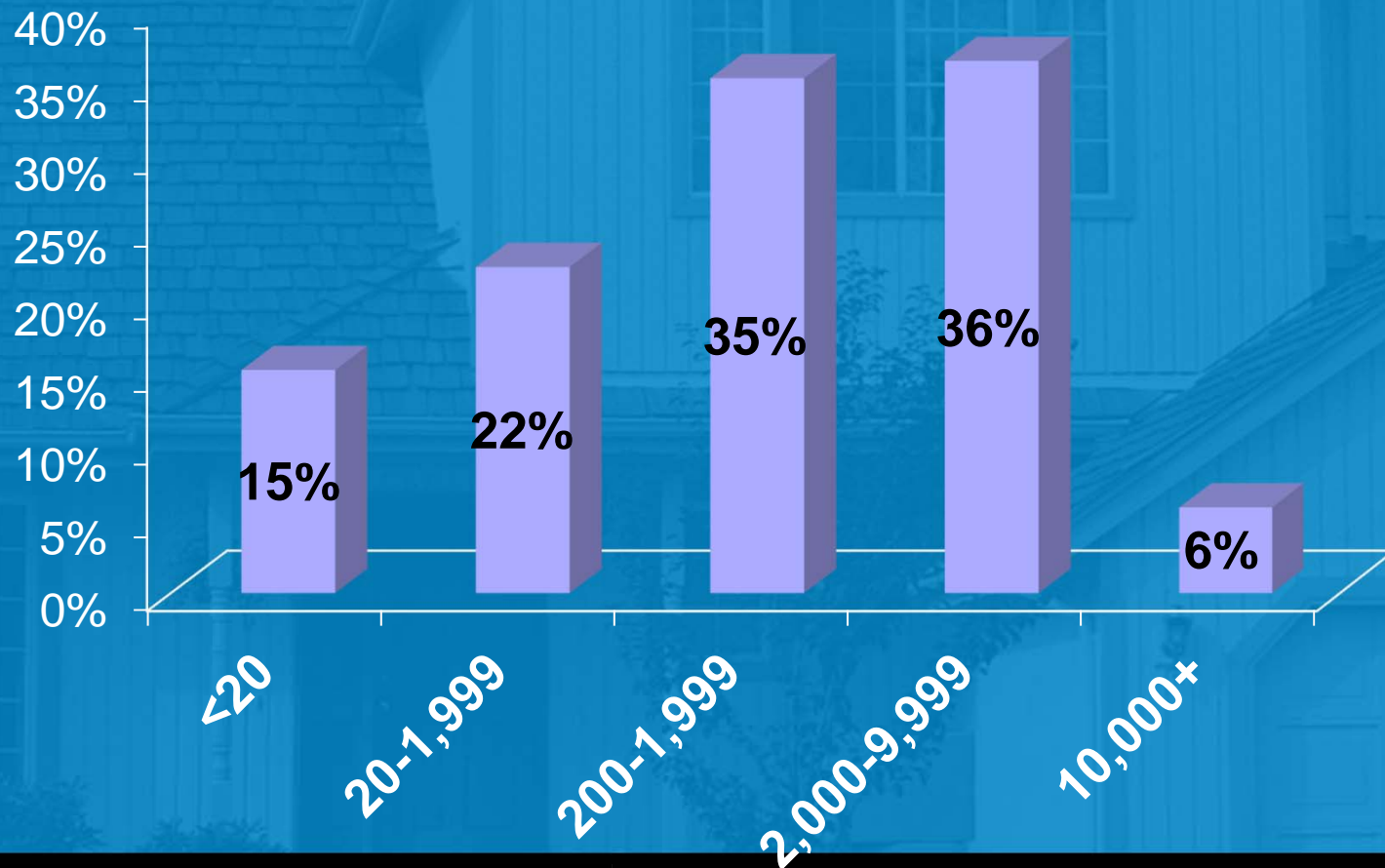


- AMCs continue to vary widely in size of their reported appraiser panels.
- Size of panels range from below 25 to 23,000+.
- Average appraiser panel size is 2,840 (an increase from 2,400 in 2014).

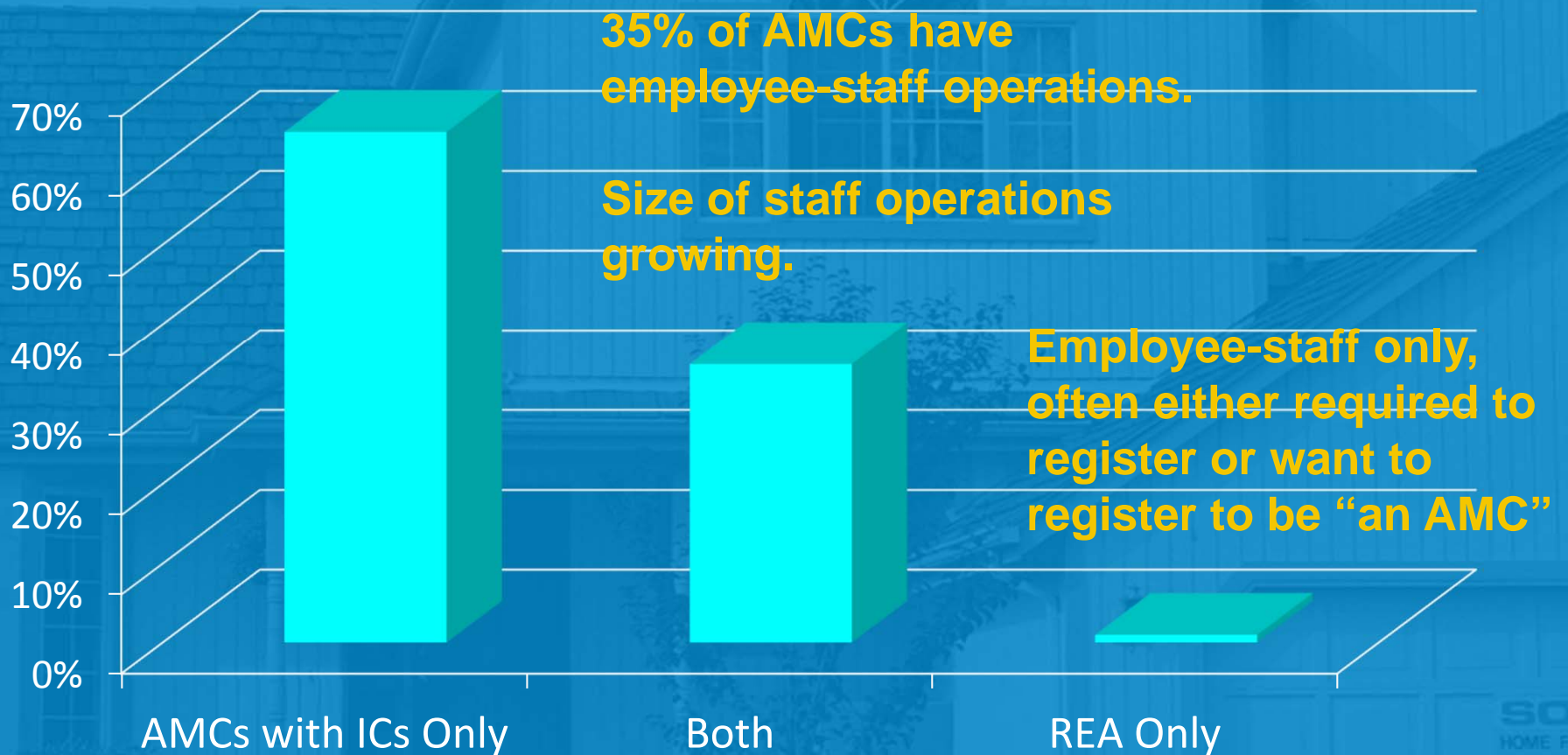
(2nd most common legal action against against AMCs relates to AMC's management of an appraiser panel – *i.e.*, alleged improper “blacklisting” or defaming of appraiser.)



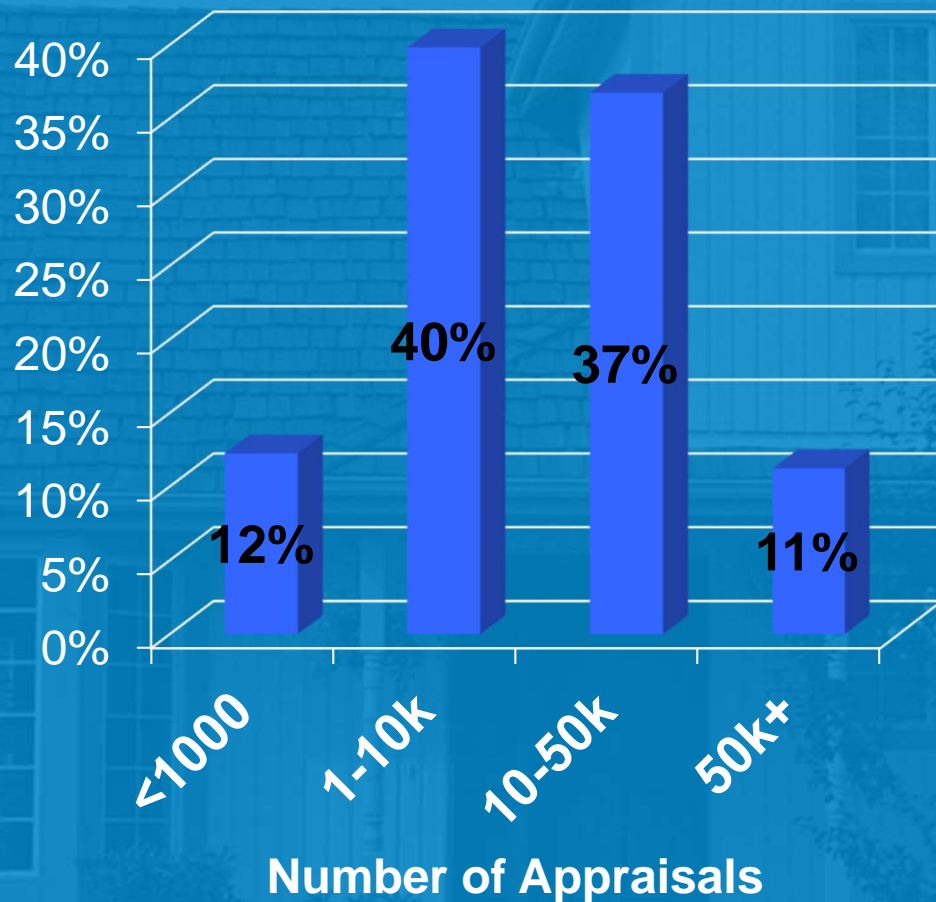
AMCs by Number of Panelists



AMCs with ICs, Staff Appraisers, or Both?



% of AMCs by Number of Annual Appraisals



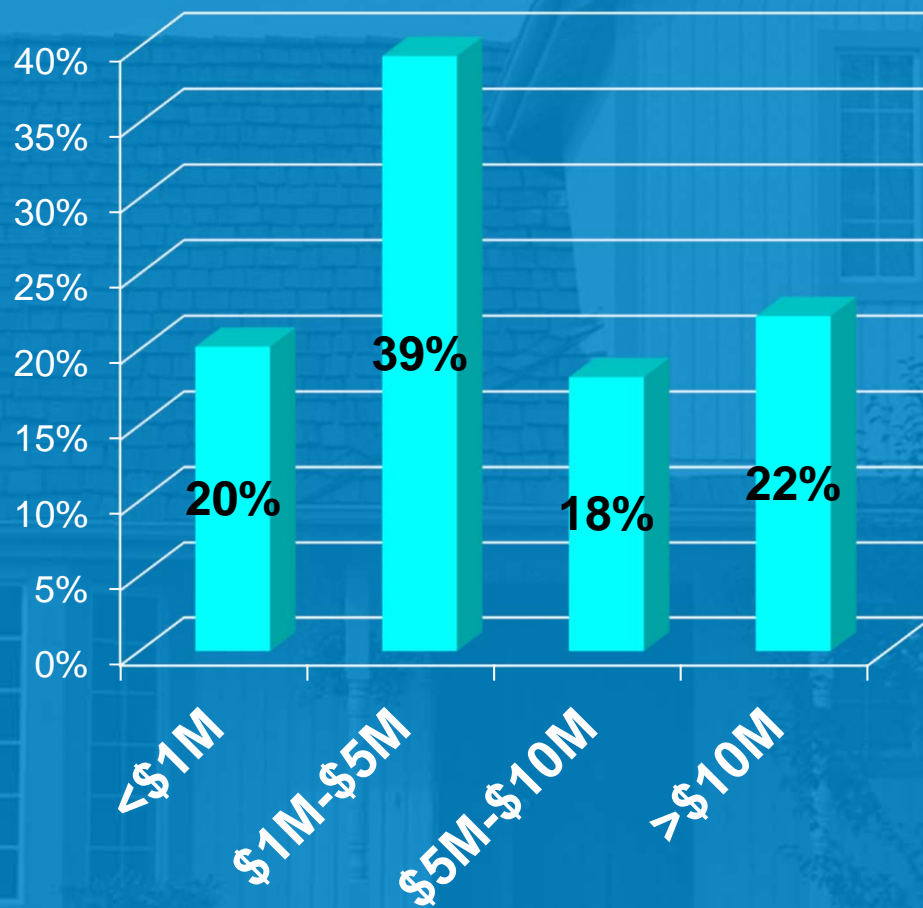
Only few manage > 100,000
52% manage < 10,000

Average is 22,400
appraisals

Trend is continued
concentration at the top



AMC Annual Gross Revenue Range



Average gross revenue was \$7.68 million in 2014. In last 12 months, it was \$8.7 million.

- 65% estimate revenue will increase in next 12 months.
- 23% estimate a decrease.
- 85% of AMCs with greater than \$10 revenue estimate an increase.

Gross Revenue from Appraisals



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Other AMC Observations

- A few AMCs have a business model of operating only in states that do not require AMC registration.
- A few others have a business model of not operating in states which require a license bond.
- Lender-owned AMC have a significantly higher incidence of legal claims against them.



AMC Business Trends

- **Quickening development of alternatives to traditional appraisal products, by both AMCs and non-AMC valuation firms.**
- **Burden, cost and risk of AMC regulation leading some firms to favor non-appraiser products to either:**
 - (1) Avoid having their organization fall under jurisdiction of state AMC regulators (and thus not having to register), or**
 - (2) Avoid disciplinary risks re products themselves to appraisers or their business.**

