2017 AARO Fall Conference

Alan Hummel, SRA
First American Mortgage Solutions
Coming together is a BEGINNING
Keeping together is PROGRESS
Working together is SUCCESS

Henry Ford
### Myths

- No Oversight of AMC Transactions & Performance

### Facts

- Compliance Attestations
- State Oversight / Authority
- Prohibited Conduct Outlined
- AMCs Undergo Lender Audits
Myths

AMCs
Push Appraisers
Out of the Market

Facts

• Marketplace is Evolving
• Adaptation Essential
• Want to Work with Appraisers
• Non-AMC Work Exists
Myths

Consumers are an Appraiser’s Client & AMCs Don’t Benefit Consumers

Facts

• Per USPAP, Client is Lender/Agent
• Certify Appraisal USPAP Compliance
• Ensure Quality, Timely Appraisal
• Protect Against Undue Influence
• Conduct Background Checks for Lenders
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<tr>
<th>Myths</th>
<th>Facts</th>
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<td>AMCs Still Send Blast Orders with a Price Attached</td>
<td>• Outdated</td>
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<td>• Appraisers Dislike</td>
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<td>• Lenders Don’t Allow Low Bid</td>
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<td>• Broadcast Used to Solicit; Ask Fee</td>
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AMCs Don’t Ensure Use of Qualified Appraisers

Myths

Facts

• AMCs Onboard all Appraisers
• Vet Experience and Credentials
• Per USPAP, Appraiser Attests Competency
• Scorecards Measure Performance
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<tr>
<td>AMC = Anti-Appraiser</td>
<td>• Need One Another/Do Not Support Waivers</td>
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<td>&amp; AMCs = Anti-Trainee</td>
<td>• Engaged in Stakeholder Trainee Discussions</td>
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<td>• AMCs Urge Lender Clients to Lift Prohibition</td>
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<td>• REVAA Guidance on Supervision Programs</td>
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Myths

AMCs Can’t Use Staff Appraisers
& AMCs Can’t Ensure Appraiser Independence

Facts

• Federal Guidance Allows Hybrids
• Same Training, Certification, AIR
• Staff Appraisers = Training, QC, Review
• AIR is Ensured, Like Appraisal Firms
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| AMCs Are Responsible for Scope Creep & Increased Scrutiny of Appraisals | • AIR = Lender and GSE Regulatory Demand  
• Increased QA, Underwriting Policies  
• Repurchase Outcomes More Common  
• Confluence of Events Drives Scope Creep |
Myths

AMCs Lower Quality & Turn Times

Facts

• Fannie/Freddie Measured AMCs
• Lender Expansion of AMC Use
• Quality has Increased Since HVCC
• No Evidence AMCs Impact Turn Times
Thank You

If everyone is moving forward together, then success takes care of itself.

Henry Ford