

HOW TO DRIVE MORE REVENUE THROUGH BETTER EXECUTION

4 ways to increase efficiency with your
appraisal vendor management

INTRODUCTION

When new loan origination and business growth are imperative in your company, the first thing to do is to take a step back and evaluate the efficiency in each department. Are you getting bogged down with communication or is it slipping through the cracks? Are your vendors providing the quality and compliance necessary? When it comes to servicing the loans you are providing, it is very important that your vendors are matching the level of service you provide your customers. If quality, communication and consistency are there, the efficiency in your workflow will increase to levels necessary for continued growth.

One major key to success is holding your vendors to a high standard. CSS does this through their Regulatory Compliance Certification. This guide will provide four ways to increase your efficiency when managing your vendors and also offer a solution that provides you with a risk free vendor management program.

1. IMPLEMENT AN APPRAISAL APPLICATION PROCESS

To prevent any compliance issues, run your network of appraisers through an application process. Below are some examples of what this should include:

- A current State Appraisal license/certification
- Error and Omissions Insurance
- No infractions or violations that have resulted in sanctions from any State Appraisal Board or Financial Regulatory Agency.

Other things to consider as part of your application process are the candidate's electronic capabilities, background, business and personal references, and formal education.

2. SET HIGH EXPECTATIONS FOR APPRAISERS

To ensure compliance in servicing an appraisal assignment, CSS provides each appraiser, with specific information pertaining to industry standards and guidelines, CSS' expectations, and the customer's individual specifications. Our expectations include adherence and compliance with:

- FNMA / Federal National Mortgage Association (Fannie Mae)
- FHLMC / Federal Home Loan Mortgage Corp (Freddie Mac)
- FIRREA / Financial Institution Reform, Recovery, and Enforcement Act
- USPAP / Uniform Standards Professional Appraisal Practice
- Dodd-Frank Wall Street Reform and Consumer Protection Act
- Department of Treasury Interagency Appraisal and Evaluation Guidelines
- GLB Act / Gramm-Leach-Bliley guidelines and standards, as well as
- any other specific requirements reflected on the order

Appraiser acceptance of an assignment acknowledges that their license is active and in good standing and that they are not reflected on exclusion lists for FNMA, FHLMC, HUD or a specific Lender.

3. IMPLEMENT A SELECTION PROCESS THAT INCLUDES A RANKING SYSTEMS FOR ASSIGNMENTS

With thousands of appraisers nationwide, it is imperative that a selection process be put in place to assure the quality and performance are consistent with each assignment. CSS not only ranks their appraisers on overall performance, but also includes some of these specifications in their section process:

- Experience with specific property/product type
- Geographic competency
- Response time and follow up
- Professionalism
- Electronic capabilities
- Compliance with the State's continuing education requirements

4. CREATE A QUALITY CONTROL PROGRAM THAT DELIVERS CONSISTENT HIGH QUALITY PRODUCTS

Before any product is delivered to a CSS customer, the product is run through a two-tier quality control program.

The first stage of our quality control process is an automated, rules based review tool. This tool contains several hundred rules and checks to ensure that many of the factual items in the appraisal report are consistent and complete. The rules contained in the automated tool are based on standard Fannie/Freddie appraisal guidelines, as well as the standard mathematics and consistency checks for the appraisal report. The rules based reviewer tool reports elements that are critical and identifies areas that require follow-up.

Once the appraisal report passes through the automated tool, a Review Appraiser then takes over, reads the automated feedback to determine what must be fixed or revised, and ensures that the consistency checks are contained in the report. The key function of the human reviewer is to focus on those elements of the appraisal report that are subjective and to determine whether the appraiser has presented a logical, sequential analysis of the subject property that leads the reader/user of the appraisal report to a logical value conclusion. We should note that should the customer have specific appraisal requirements beyond those contained in the Fannie/Freddie guidelines, we can incorporate those standards into our review process.

CONCLUSION

The implementation of these programs and processes is important to ensure you are receiving timely, accurate and compliant appraisals. CSS offers an appraisal management programs that will take care of all of this for you. With these programs, CSS runs all appraisers through our application process and selects, communicates, and processes the appraisals for your company so that you can focus on new loan origination and on growing your business.

ABOUT CSS

Corporate Settlement Solutions (CSS) is a dynamic, forward thinking group of real estate settlement service professionals with a focused passion for providing you with a superior customer experience. Our company started as a local title agency in northwest Michigan in 1992. Our growth fostered expansion into a regional vendor management company offering a full range of title, closing, valuation, flood, and recording products.

If you are looking to outsource your appraisal management as means to free up resources to focus on business growth, reach out to CSS today. CSS is your risk-free expert in home equity loans that provides advanced appraisal management technology.

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