



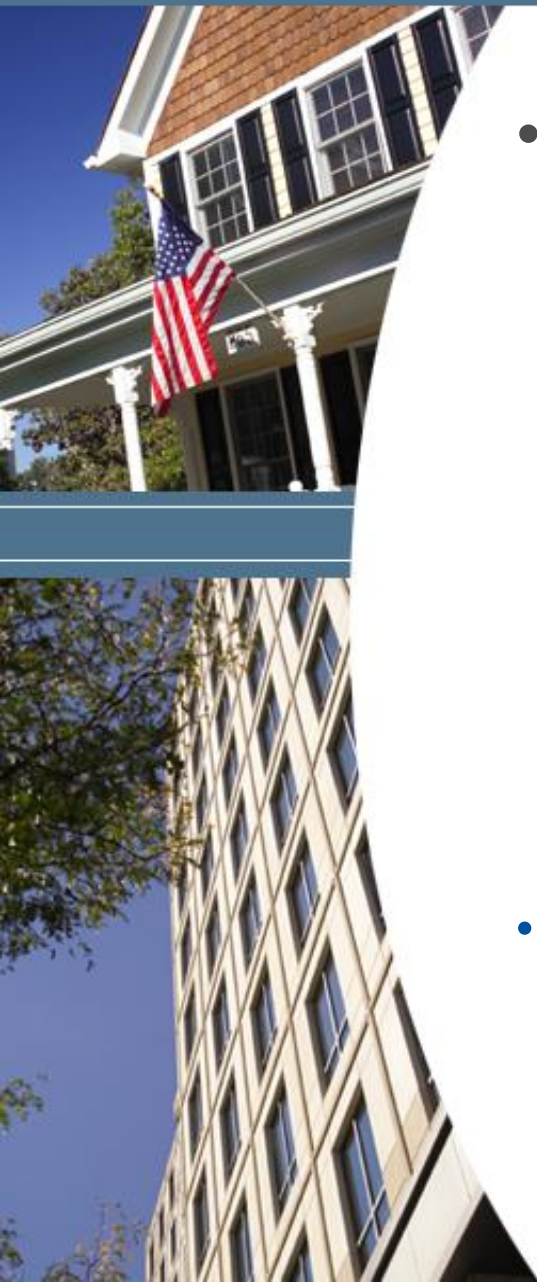
Maximizing the Effectiveness of Reviews Getting Reviews that *Work*

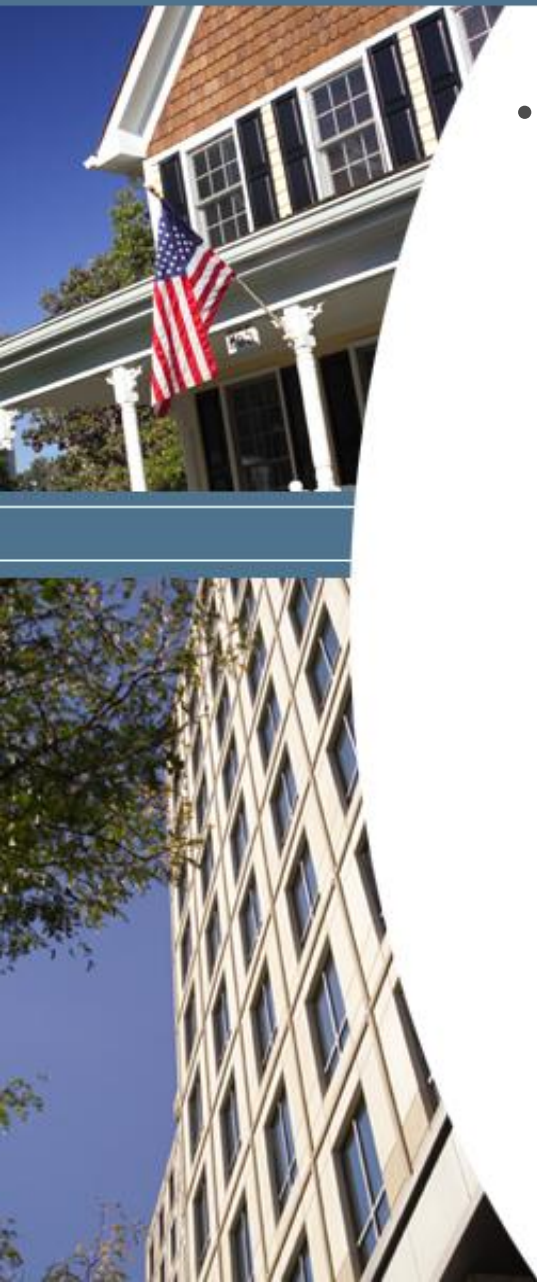
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- **Do the reviews you rely on...**
 - » include meaningful comments (or *any* comments)?
 - » include comments without emotion and accusation?
 - » include a different value, but no explanation as to why the appraisal being reviewed was unreliable? i.e. “my sales are better than their sales – just take my word for it”.
 - » reflect the same types of subjectivity or weaknesses contained in the appraisal reviewed?
 - » include supporting data and documentation for the opinions expressed? i.e. market statistics.
 - » include copies of MLS sheets, Assessor’s Data, CMAs, and other relevant market statistics?
 - » allow you to easily handle rebuttals or arbitration?
 - Are the reviews you are relying on ***effective***?



- **What Most Clients Order...**

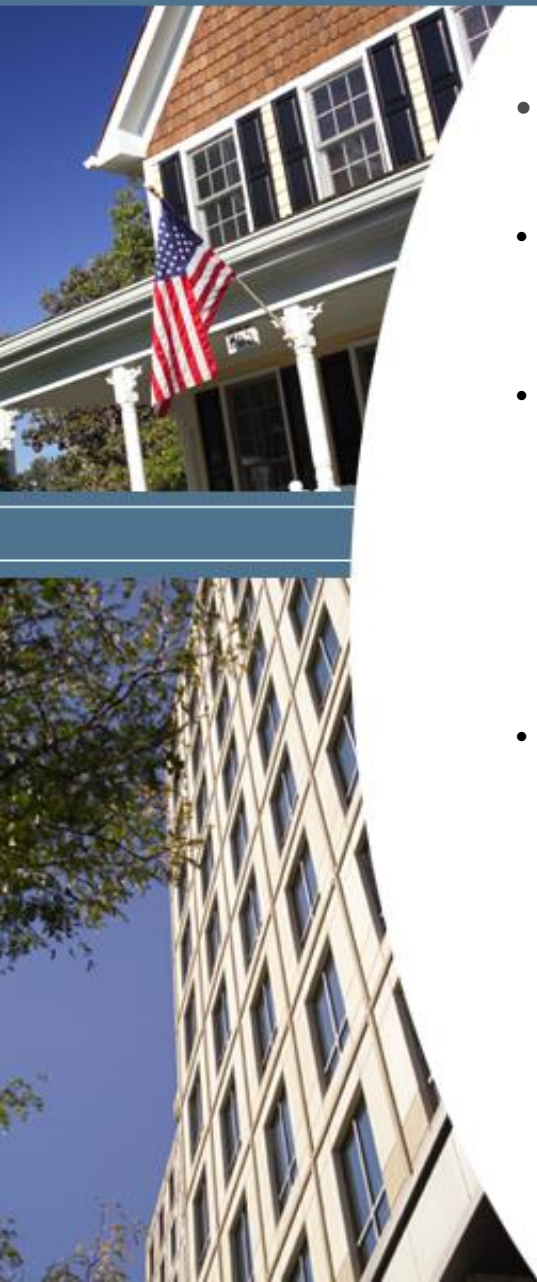
- » **Pre-Funding** – (Historically included “tolerance levels”. Appraisers often penalized for too many “cuts”)

- **Desk** - Performed in-house or outsourced to local or national provider
 - Historically more of a loan production tool than a QC tool – this has since changed
 - Low fee and fast turn times still high priority
 - Use of AVMs/Automation is common
- **Field** - Outsourced to a local or national provider
 - Usually a mandatory QC tool based on loan amount & program.
 - Fees and turn times still critical

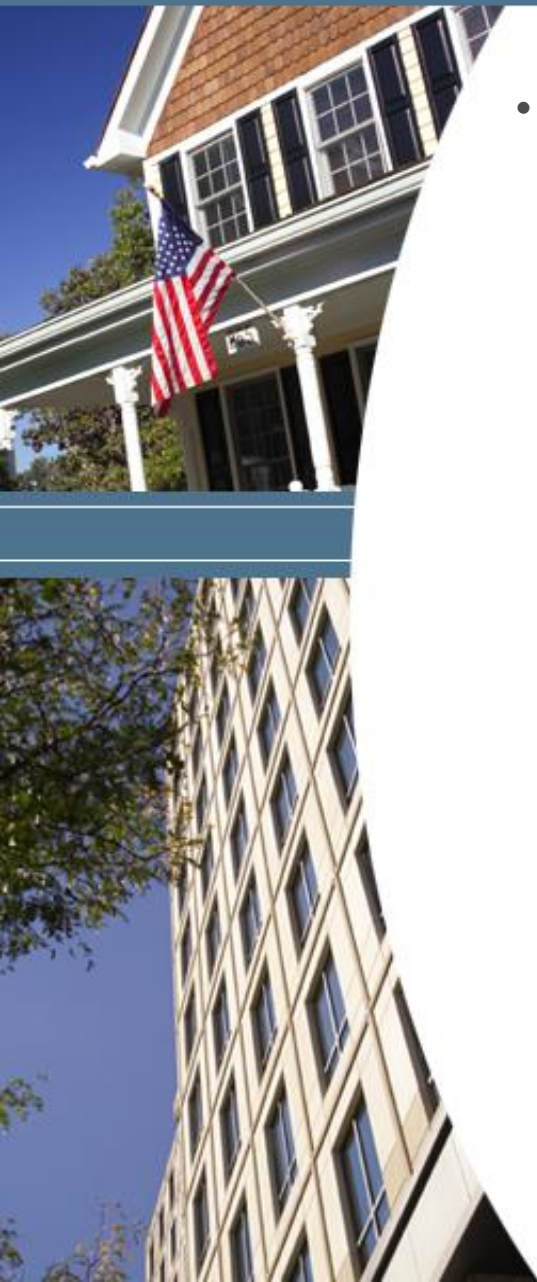
- » **Post-Funding** – (“Tolerance levels” uncommon, except for MI claims investigations or litigation support - Effectiveness is now paramount)

- **Desk & Field**

- › Strictly a QC/Loss Mitigation tool
- › Low fees and fast turn times are secondary to quality/effectiveness
- › **Used for QC (HVCC review guidelines), Loss Mitigation, Repurchases, Claims Investigations, Litigation, et al.**



- **What works well for Challenge Situations:**
- **1). Begin with Retrospective Appraisal of Subject Property**
 - » No more challenge from “defendant” regarding bias of reviewer.
- **2). If value estimate is outside of established tolerance guidelines, continue with Retrospective Review**
 - » You know what the value is, now its time to start building the case
 - **If value falls within established tolerance guidelines, then you do not need the retrospective review.**
- **3). Tie it all together with a consulting letter highlighting salient facts and conclusions**
 - » Can be used as part of, or exclusively as, the “findings letter”
 - » Is prepared by an Appraiser only
 - » Communicates without emotion, accusation or unsupported conclusions
 - » Includes or references exhibits that serve as support for all conclusions

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- **What should your Reviewer include in his/her reviews for you?:**
 - Reviews that are devoid of emotion and accusation. Appraiser's can't prove "intent"; but appraiser's can identify material mis-reps, errors, omissions.
 - Meaningful, concise commentary explaining how each conclusion or opinion was developed.
 - When possible, opinions require statistical support as exhibits or addenda.
 - MLS sheets for original & replacement sales – for verification and as exhibits
 - Tax Assessor sheets for original & replacement sales – for verification and as exhibits
 - "CMA" report showing all neighborhood sales/listing activity for time frame of origination appraisal
 - ***The review should be written in anticipation of challenge and/or rebuttals – and should be a self contained document.***

- **Remember...**

- Appraisals are opinions, and can be challenging to discredit from strictly a comparable sale selection basis – by building a “case”, the level of subjectivity decreases, thereby increasing the effectiveness of the review.
- Appraiser’s can’t prove “intent”; but appraiser’s can identify material mis-reps, errors, omissions – and this review process allows the reviewer to make his/her case with “litigation-ready” market support
- This review process is developed in anticipation of rebuttals or critique
- When AVAILABLE, opinions require statistical support
 - › MLS sheets for original & replacement sales – for verification
 - › Tax Assessor sheets for original & replacement sales – for verification
 - › “CMA” report showing all neighborhood sales/listing activity
- ***The review should be written in anticipation of challenge and/or rebuttals.***