

Frequently Asked Questions

Who is best suited to use Appraisal Firewall?

Local and regional banks, credit unions, wholesale lenders, and net branches that want to use their own appraiser relationships and stay compliant with Dodd-Frank, HVCC, Appraiser Independence Requirements, FHA, and all other appraisal regulations. The person in the lender's office that manages or oversees compliance in Appraisal Firewall is the "Rotation Manager." With current regulations, brokers cannot have a role in selecting, retaining, or paying appraisers. Lenders that utilize brokers must have an approved appraisal process for brokers, which Appraisal Firewall offers.

Is Appraisal Firewall an AMC?

No. Appraisal Firewall is not an AMC. Appraisal Firewall lets lenders setup and manage their own appraiser panel and choose how fees will be paid. Appraisal Firewall is therefore less expensive for both lenders and appraisers.

Should I use an AMC in order to comply with new appraisal regulations?

This is entirely up to you. There is a risk involved with outsourcing your appraisal needs to an AMC as you lose direct control of your processes and often experience higher costs. You cannot be sure of remaining compliant if your appraisal process is not internalized. As AMCs become more prevalent in the mortgage industry, more becomes known about how they work. Large-scale lenders often do not have a local presence and can utilize AMCs in a beneficial manner. Local and regional lenders typically experience higher costs, worsening turn times, and lesser appraisal quality. This is a key factor that should be weighed as to whether an AMC is right for you: identify your size and compare the benefits with the drawbacks.

How does Appraisal Firewall keep me compliant with Appraisal Regulations?

There are two key elements to a lender's appraisal compliance. The first is the lender's responsibility for assigning appraiser panel creation, ordering, and communication to someone in their office who is independent of production. The second is the technology that the lender chooses and the compliance features the technology offers. Appraisal Firewall offers a number of compliance features, including:

- ◆ Audit Trail. You can track appraiser panel creation, ordering, and messaging between your individuals and appraisers in a printable Communications Log. You always know who in your office had a hand in every appraisal that is ordered and what happened every step of the way – either electronically or on paper.
- ◆ With the use of anonymous routing technology, the person that initiated the appraisal process does not know to whom the appraisal order was placed. The lender's appraiser panel is filled with those appraisers that they have established relationships with, but the actual appraiser that is assigned to the order is unknown to the lender until the appraisal is delivered.
- ◆ See the *Appraisal Firewall Product Datasheet* for complete information on compliance features.

What is an Appraisal Rotation Manager in Appraisal Firewall?

The Appraisal Rotation Manager is an employee at a lender's office who manages all appraiser-related information, and is not paid out of the commissions of closed loans. The RM (Rotation Manager) takes the appraisers that you do business with today and puts them in an appraisal ordering rotation. Then, the RM either places orders directly or enables a compliant process through which orders are initiated and statuses communicated. Appraisal Firewall automates all of this rotation for the manager so that there is less work for the RM.

Does Appraisal Firewall charge a service fee?

Appraisal Firewall charges a small percentage of the cost of the appraisal product. This fee is 10%. This fee can be paid by either the lender, or the appraiser.

How does billing work?

You have three choices on remitting payment for appraisal orders based on how you want your appraisers to bill you.

- ◆ You can pay your appraiser their fee, and pay the Appraisal Firewall service fee. Your appraiser would invoice you for the cost of the appraisal, and Appraisal Firewall would invoice you for the service fee.
- ◆ You can pay your appraiser their fee, and have the appraiser pay the Appraisal Firewall service fee. Your appraiser would invoice you for the cost of the appraisal, and Appraisal Firewall would invoice your appraiser for the service fee.
- ◆ Credit Card.

Does this mean that Appraisers can get their full fee?

Yes. Based on how the appraiser has setup their fees, they can take into account the service fee in their appraisal product fee. This lets them accommodate the service fee, and get their full fee for their services.

Is there a cost to signup?

No. Signup is free to lenders and to appraisers. Just go to www.AppraisalFirewall.com and follow the links.

What if I have an appraisal order that is out of my area?

Appraisal Firewall offers connections to a number of Appraisal Management Companies. In the instance where your panel does not offer coverage in a subject property area, Appraisal Firewall automatically identifies this and routes the order to a backup AMC.

How do I get started?

Click the **I'm New – Sign Me Up** link just beneath the Login fields at left. Then follow the on-screen prompts to enter your information. Once this is done, start sending email invitations to your appraisers from the **My Appraisers** screen to create your appraiser panel. Once you have a couple appraisers in your panel, you can start placing orders. See the **Lender Quick Start Guide** for information on logging in, creating your appraiser panels, and placing orders.