



Valuation Connect, LLC

Appraiser Independence Policy

Freddie Mac, Fannie Mae, FHA, Interagency, Dodd-Frank Act as well as many State Statutes all address appraiser independence and appraiser safeguards. Valuation Connect, LLC has taken every step possible to ensure that our policies and procedures are compliant with all of these guidelines and policies. As a company, we are supportive of these guidelines and feel this is a necessary and important step to build safeguards around the appraisal process. Policies and procedures regarding the approval of appraisers and assignment of appraisal orders are reviewed routinely to ensure compliance. All staff involved in the process of engaging appraisers, completing quality control reviews and communicating with appraisers, are trained and committed to compliance with regulations and guidelines at both the state and federal levels.

This policy addresses appraiser independence safeguards, borrower receipt of appraisals, appraiser engagement and prevention of improper influences on appraisers, appraisal quality control testing, and reporting of appraisal misconduct. Valuation Connect has procedures in place for appraisers, staff members, and customers to report violations of appraiser independence and will discipline any staff member who violates these policies and procedures.

Appraiser Independence

- Strict compliance with all provisions of the Appraiser Independence Policy is required from our internal staff. Valuation Connect approved appraisers are required to conduct their work independently and free from inappropriate influence, and to notify Valuation Connect if their independence has been compromised.
- Valuation Connect does not provide an estimated loan amount or an estimated value to an appraiser on any assignment. Appraisers are compensated based on the satisfactory completion of assignments. Full payment of all agreed upon fees is paid regardless of the outcome of the loan application.
- Valuation Connect employees must report all potential violations of appraisal independence to management.

- Valuation Connect does not attempt to influence the result of an appraisal through coercion or otherwise attempt to impair an appraiser's independence.

Prevention of Improper Influences on Appraisers

- Valuation Connect has implemented written policies and procedures to prohibit improper influences and maintain full regulatory compliance. We have established both an email address (appraiserconcerns@valuationconnect.com) and a toll free telephone line (888-996-8061) to allow appraisers and customers to report any improper activity. This information is communicated to appraisers when they become approved as part of the Valuation Connect Appraiser Panel.
- Valuation Connect employees must report all potential violations of appraisal independence to the Compliance Team.

Panel Management

- Valuation Connect has an approval process that includes verification that all appraisers on our panel hold an active license in the state in which the property to be appraised is located. We have implemented a system to ensure that licenses are checked routinely for expiration and disciplinary actions, and appraisers cannot receive new assignments unless licensure can be validated as current and in good standing. As part of the approval process, the Appraisal Subcommittee online database (www.asc.gov) is checked to confirm the appraiser holds a current license in good standing. Valuation Connect subscribes to the daily updates provided by the ASC that notify subscribers of license suspensions, revocations, expirations, etc.

Appraiser Engagement

- Valuation Connect takes full responsibility for selecting appraisers for each assignment, retaining those appraisers and compensating them for satisfactorily completed appraisal reports. Each appraiser is selected for the assignment based on his/her performance history, geographic and product competency, the appropriate state license, quality, service, turn times, and location (distance from the property).
- All communications with the appraiser and information pertaining to each order is documented within our tracking system.

Appraisal Quality Control

- Every appraisal report receives an internal quality assurance review before being transmitted to our clients.
- Appraisers are tracked and ranked based on performance - quality, service and turn times. We have a defined process for monitoring the work of appraisers and when necessary, removing appraisers from our approved panel based on their performance.

Referral of Appraisal Misconduct

- Valuation Connect reports appraiser misconduct to the appropriate regulatory entity in accordance with applicable state laws and regulations, and the Valuation Independence section of Regulation Z.

Borrower Receipt of Appraisal

- Valuation Connect will assist the lender/client in ensuring that the borrower receives a copy of the appraisal no less than three days prior to the closing of the loan upon written request from the client.

Representations and Warranties

- Valuation Connect is compliant with both state and federal laws and regulations, and lenders/clients can rely on our clearly defined policies and procedures in order to comply with their representations and warranties.