

APPRAISAL VISION

for Encompass®
by ICE Mortgage Technology™

At a glance

- Increased efficiency allowing lenders to handle more orders and increase revenue
- Operational cost savings
- Reduced time and cost to review an appraisal report
- Reduced risk associated with over/under valuation
- Standardized reviews across network AMC's with aligned review priorities
- Directive messaging to help fix errors based on lender specifications

Key metrics



25%

Turn time reduction



30%

Increased reports with
CU Scores below 2.5



45%

Process cost savings



75%

Reduced underwriting
revisions



80%

Appraisal report quality
improvement

APPRAISALVISION



@appraisalvision



www.appraisalvision.com



St. Petersburg, Florida

CHALLENGES

Build a next-generation appraisal order management platform that is integrated and accessible through the Encompass user interface. Utilize data and analytics to select the best appraisal management company (AMC) for every order based at a zip code level. Reduce collateral risk by standardizing QC and underwriting of the appraisal report across all AMCs and create operational efficiency.

SOLUTIONS

AppraisalVision integrated with Encompass by ICE Mortgage Technology to help lenders using Encompass gain access to their network of top performing AMCs without leaving the Encompass platform. Through a fully integrated process with the right data and controls in place, actionable analytics help lenders feel more confident in the quality and performance of the AMCs and their appraisers they choose to work with. AppraisalVision is making the process smarter by automating AMC and appraiser selection as well as the appraisal QC and underwriting processes.

BENEFITS

1

One Platform, One Login, All Orders

Regardless of their AMCs, lenders do not leave the Encompass platform. With a single sign-on option, the amount of AMC logins no longer poses potential security risks and operating loss.

2

Vision Analytics

Advanced analytics for managing quality, performance, and compliance within SMARTOrder + Encompass benefits Encompass users by providing correct, validated data and analytics upfront when the order is placed.

3

AQPM Score

For best execution, AppraisalVision offers its own unique scoring algorithm known as an AQPM Score paired with data analytics to promote objectivity and mitigate valuation risk.

4

Collateral Intelligence

Inject predictive and prescriptive analytics into the appraisal order management process and appraisal review process. Lenders have access to a variety of dashboards that provide transparency into the performance of AMCs at a state, county, and zip code level.

CHALLENGES



AppraisalVision has noticed a quality and performance issue within the residential appraisal industry. There are plenty of order management systems; however, each platform was built for an industry of broken processes. Mortgage industry participants are exposed to undefined collateral risk as it relates to the appraisal process and the report, itself. We break that collateral risk into two types: quality and valuation.

In the traditional appraisal process, files are late, underwriting revisions occur frequently, and inconsistent communication across multiple channels creates inefficiency. Of all appraisal reports, 67% have quality and/or valuation risk that goes unmitigated. Current AMC and appraiser selection methodologies cost 2.5 days in turn time and \$29 on average per appraisal order. Lenders and AMCs have grown accustomed to a 25-35% defect rate as acceptable, but AppraisalVision is showing that this does not have to be the norm.

Exposure to collateral risk is the problem, but the processes and the systems that are in place today add to that risk making industry stakeholders increasingly susceptible to loss. AppraisalVision has used data associated with each appraisal order to develop and drive their platform to revolutionizing the appraisal industry.

AppraisalVision needed to address how lenders can access data in a user-friendly way to help make smarter business decisions and know they are choosing the best AMC at the time they place an order. Knowing that lenders use a handful of different platforms to complete appraisal reports, keeping track of login credentials for each AMC platform adds to efficiency issues. Building the right technology to standardize how orders are placed and managed from start to finish was crucial to solving systemic quality issues. AppraisalVision was ready to address these complications and find the right technological solution.



**Quality and
performance
standards**



**Actionable
analytics**



**Collateral
intelligence**

SOLUTIONS



One Platform, One Login, All Orders

AppraisalVision and ICE Mortgage Technology both believed in a smarter, simplified way for lenders to place orders. Traditionally, each AMC had their own login and order form. Embedding AppraisalVision's SMARTOrder user-interface within Encompass allows lenders to sign on with one set of credentials, standardizing the process and communication. For accurate completion of loan estimates, fees are standardized across all AMCs on the platform in real-time, down to a zip-code level.

Vision Analytics

Automation and data analytics are the focal point of the platform to ensure companies are making the smartest business decisions possible. Through data-driven decisions, the risk of under or over valuation is eliminated.

Using analytics as a service, AppraisalVision's machine learning allocation methodology results in better execution. Based on the AMC's appraiser panel, lenders have access to form and loan type allocation as well as county level allocation. Comparative analytics give lenders insight into their performance versus other lenders in the market. AMC's then can utilize SMARTAssign to find the best appraiser for each assignment. Appraiser selection is based on client defined requirement, loan and form type, number of open orders, and capacity and saturation.

AQPM Score

Unlike traditional selection models such as round robin and percentage of order allocation, this scoring system factors in loan, form, property type and attributes. Other quality factors include due date met, quality control revisions and underwriting revisions.

Unlike other platforms, the AQPM Score indicates a lender, AMC, or appraiser's ability to complete an order on time without revisions. Lenders with higher scores will attract more business with AMCs, and your score will improve using the AppraisalVision platform. This takes subjectivity out of the assignment process and helps standardize it as well.

Collateral Intelligence

SMARTReview offers over 4,000 automated QC and underwriting rules that are both lender specific and driven by public record and MLS tells both the AMC and the appraiser what you expect as the lender prior to final submission. The directive messaging not only highlights the issue but instructs them on how to fix it based on lender specifications. Aligning the AMCs priorities with the lender gives them the ability to reduce the CU Score of a report before it goes into the underwriting review process.

RESULTS



Lenders now have an opportunity to efficiently manage and complete the appraisal process while mitigating risk. Through the actionable analytics that are working throughout the entire process, ordering through measurably higher-performing AMCs, while they use the rest of the system to align their review process with yours translates directly to increased efficiency and decreased cost per order for each lender. Having a scalable software solution through SMARTOrder + Encompass gives clients a more efficient experience.

Benefits for Correspondent Clients

- Increased efficiency allowing lenders to handle more orders and increase revenue
- Operational cost savings
- Reduced time and cost to review an appraisal report
- Reduced risk associated with over/under valuation
- Standardized reviews across network AMCs with aligned review priorities
- Directive messaging to help fix errors based on lender specifications

In addition to increasing the number of appraisal reports with a CU score below 2.5 by 30%, underwriting revisions have reduced by 75% resulting in shorter turn times and giving underwriters more capacity. AppraisalVision continues to reset supplier expectations and requirements within the residential mortgage industry to create operational efficiency and reduce collateral risk for industry stakeholders.



Vision Analytics takes the guess work out of the process. It all starts with better selection, but with their network of AMCs performing reviews through our eyes, we have seen not only increased efficiency but decreased risk.

- Erin Herrlinger, VP Operations
Ladera Lending

