



Appraisal Links Internal Policies and Procedures for Appraisal Management

Appraisal Links Policies on Appraiser Engagement Letter

Sample appraiser Engagement Letter is included in our compliance/lender approval and with each appraisal order, Appraisal Links incorporates inclusion of quality standards that encompass lender requirements with each order. Engagement letters are reviewed and updated based on GSE guidance and best practices.

Appraisal Link appraiser on-boarding process and management of Appraiser Roster

We recruit appraisers based on each lender's experience requirements. We verify that their license/certification is in good standing with the state's regulatory bodies. Additionally, we verify the appraiser has sufficient E&O coverage to meet each lender threshold requirements.

Appraisal Links manages licensing and E&O renewals to ensure current and minimum requirements by doing the following:

Reporting reminders are pulled and emailed to appraisers that they must update their records within our tracking system. An automated third-party reminder is sent out at 60, 30 in addition our internal systems provide notice 30, 15, and 7 days prior to the expiration.

Appraisal Links process for ensuring state registration or licensure both of the company and individual appraiser where applicable.

State Licensing- Appraisers are required to provide a copy of their current state license. Additionally, automatic email reminders are generated to appraisers when their license is approaching expiration and they must update our records. A reminder is generated 90, 60, 30, 15, and 7 days prior to the expiration. Prior to assignment active state license is verified electronically through third party such as Corelogic that has direct integration with ASC.

Appraisal Links appraiser selection criteria and assignment methodology

Appraisal Links uses a combination of assigning orders to one specific appraiser at a time, rarely a broadcasting of orders to several appraisers at once but only in extenuating circumstances. Typically, our broadcast method is used when it is anticipated that acceptance of an appraisal assignment may be delayed, such as during high volume periods or in less densely populated areas with limited certified appraisers. Appraisal Link's AMC software has an automated scoring system, based on speed of turnaround time, quality of appraisals and responsiveness of appraisers. We rank our appraisers based on performance and quality to determine the best available for each order.

Primary Factors of assigning an order.

- o Exclusion of any appraisers on lenders Do Not Use List
- o Distance to property
- o Current order workload, as it relates to timeliness and additional requests outstanding.
- o Prior quality level and rating

Appraisal Links policies to establish "customary and reasonable" fee payable to the appraiser.

Appraisal Links is in full compliance with CFPB 1026.42 Valuation Independence as set forth in 42(f) Customary and Reasonable Compensation. Third party vendor is utilized to provide the required fee information.

Appraisal Links pays its appraiser network within 21 days from the date of their appraisal delivery. Appraisal Links pays appraisers bi-weekly.

Appraisal Links Quality Assurance Review Process

Appraisal Links performs a 100% manual and automated review on each report delivered. All reports are reviewed manually by a trained reviewer. Automated review is performed on all appraisals for bias language including additional automated reviews for reports that appear to have deficiencies after the manual review is completed. There are additional automated processes that can be used when the review is escalated by either the reviewer or the lender/client which consist of a third party business rules engine that processes and analyzes appraisals for compliance, completeness, and consistency versus appraisal industry guidelines and the lender/client's customized appraisal review rule set if applicable. Appraisal Links QC Checklist is attached. Process details for third party reviews are proprietary.

Our QC staff members have extensive backgrounds as certified appraisers, reviewers, or mortgage professionals with experience in the mortgage approval process. Our entire QC staff has knowledge of USPAP, FNMA, FHLMC, HUD, and all state and federal regulatory authorities. Our certified appraisers and staff regularly attend webinars, take continuing education courses, and receive training and updates on all agency guidelines and updates.

All of our manual reviews are performed by both certified appraisers with years of appraising and appraisal review experience and QC staff members, some with 20+ years of extensive quality control appraisal review including a DE underwriter.

Appraisal Link will customize or design review forms for each client based on their internal underwriting criteria and investor guidelines.

Appraisal Links exclusionary list procedure.

Appraisal Links checks the GSEs exclusionary list and requests that each lender provides their specific exclusionary list so only appropriate appraisers are selected.

Appraisal Links policies on appraiser disciplinary process.

When an appraiser is placed on probation, the appraiser is given, in writing, the reason(s) why and term of his/her probation.

When an appraiser is terminated from the roster, he/she is given, in writing, the reason(s) they have been terminated and an explanation of just cause.

We have the ability to refer an appraiser to third party USPAP review and utilize results to determine further action required. If third party review finds USPAP violations, the appraiser is suspended with cause and must complete third party USPAP review course.