



**Appraisal Evaluations, Inc.**  
*Real Estate Appraisal Specialists*

# Home Valuation Code of Conduct Compliance Policies

## Summary

The following written policies and procedures have been adopted and implemented by **Appraisal Evaluations, Inc. (AEI)** to insure full compliance with the **Home Valuation Code of Conduct (HVCC)**, which is effective May 1, 2009.

**AEI** is a regional Appraisal Management Company (AMC) and is a privately owned, California-Based corporation. There is no stock owned, in whole or part, by any lender, affiliate of a lender, or real estate settlement services provider.

**AEI** will report and discipline anyone who violates these policies and procedures.

## Section I – Appraiser Licensure

**AEI** verifies that all appraisers on our panel are licensed or certified by the state in which the property to be appraised is located. **AEI** does not approve trainee appraisers to our vendor database. Additionally, **AEI's** order fulfillment process ensures that each approved Appraiser is licensed and in good standing in the appropriate state. Verification of licensure status is done via the Appraisal Subcommittee database (ASC.GOV) and the Office of Real Estate Appraisers (OREA.CA.GOV).

## Section II – Appraiser Independence Safeguards / Prevention of Improper Influence on Appraiser

**AEI** requires strict compliance with all provisions of the HVCC from internal staff, appraisers and all stakeholders involved in the process.

Appraisers are paid their full fee regardless of the outcome of the valuation. An increase in fees can only be negotiated based upon increased complexity of the assignment or an accelerated turn time request, but will never be contingent upon the reporting of the appraiser's opinions, conclusions, or valuations.

**AEI** does not have their appraisers engage in the practice the collection of preliminary data elements surrounding an estimated value, target value, loan amount or LTV (i.e. “comp checks”, nor does **AEI** engage appraisers with any conditions surrounding these data elements. In addition, neither the loan



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amount nor an estimated value is provided to the appraiser. In the event that any such information is provided in the transmission of the order, the information is ignored in the appraisal assignment, and origination staff is notified of our “independence” policy.

**AEI** has an HVCC-compliant process for removing an appraiser from our panel, which considered quality, service, turn times, licensure and proper notification of appraisers, as well as compliance to USPAP, HVCC and other industry guidelines.

Second appraisals can be ordered by lenders or **AEI** if the procedures used are in accordance with the HVCC.

Our quality control process includes both electronic and manual appraisal review. This may require additional data and/or explanation from appraisers for clarification or support of their value conclusions.

### Section III - Borrower Receipt of Appraisal

The HVCC states that the lender shall ensure the borrower is provided a copy of the appraisal no less than three days prior to the closing of the loan unless the borrower waives the three day requirement. **AEI** will assist the lender in this process, if requested.

### Section IV - Appraiser Engagement

**AEI** is solely responsible for appraiser selection, retention and payment. Selection criteria considers: Competency to perform the order, quality, service and turn times, distance from property and current pipeline capacity.

**AEI** tracks all communications related to the order to ensure that only authorized and properly trained internal staff communicates with appraisers.

**AEI's** compliance with the HVCC supports appraisal products portability.



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### **Section V - The Independent Valuation Protection Institute**

**AEI** supports the Independent Valuation Protection Institute.

### **Section VI - Appraisal Quality Control Testing**

**AEI** will assist lenders in obtaining appraisal reports and will provide appropriate reporting to ensure lender compliance with the HVCC.

### **Section VII - Referral of Appraisal Misconduct**

**AEI** knows that if any lender has a reasonable basis to believe an appraiser or AMC is violating applicable laws, the lender will refer the matter to the appropriate authorities.

### **Section VIII - Representations and Warranties**

**AEI's** "HVCC and Non-Influence Compliance Certification" is issued with every appraisal report. It certifies the objectivity of the Appraiser and assures every stakeholder that the valuation resulted from an HVCC compliant process.

### **Section IX - Scope of the HVCC**

**AEI** knows that nothing in the Code shall be construed to establish new requirements or obligations that:

- Require a lender to use a particular method for property valuation
- Affect the acceptable scope of work for an appraiser for a particular assignment
- Require the lender or third party to take any action prohibited by law