



2170 East Big Beaver  
Troy, MI 48083

---

## **Appraisal Policy**

### **Appraisal Independence Requirements (AIR)**

#### **Compliance**

Loan Originators, Third Party Originators and their Operations Staff, and Towne/AmeriCU Mortgage's Production Staff will not be permitted to communicate directly with the Appraisers. All communications are to be made with the Appraisal Management Company with whom we have contracted with regarding the ordering of the appraisal, requesting additional information and/or ordering updates. In no instance can a member of our production staff contact the appraiser directly.

#### **Exceptions to the use of an AMC**

Government VA Loans will be ordered by our Support Staff directly through the VA appraisal Portal. Completed appraisals will be sent to our secondary department who will be responsible for delivering the completed appraisal to the borrower(s)

#### **Borrower's Receipt of Appraisal**

No less than three days prior to the closing, the lender must provide a copy of the appraisal to the borrower. Our policy will be as follows: At any time an appraisal is completed for our TPO clients or for our retail origination staff, our AMC will deliver the appraisal to our Secondary Department. Our Secondary department is responsible for delivering all appraisals to the client and noting in the system the earliest the loan may close based on delivery.

#### **The Independent Valuation Protection Institute ("The Institute")**

We are required to provide information to borrowers and appraisers regarding availability of the Institute's services which will include:

- A telephone hotline and email address to receive any complaints of code non-compliance. Anyone can use the hotline, including borrowers, appraisers, individuals or other entities.

Hotline: 888.290.0861

Email: [hvcc@townemortgage.com](mailto:hvcc@townemortgage.com) or [hvcc@americu.com](mailto:hvcc@americu.com)

- The publication and promotion of best practices for independent valuation.

### **Referrals of Appraiser Misconduct**

Towne/AmeriCU Mortgage will report to the State Appraiser Certifying and Licensing Agency or other relevant regulatory bodies, any misconduct Towne/AmeriCU Mortgage believes is being committed by an appraiser or Property Valuation Service Provider including but not limited to:

- Violations of the HVCC
- Violations of regulations and applicable laws
- Engaging in unethical conduct
- Unacceptable appraisal work

### **Transfer of Appraisals**

#### **To Towne/AmeriCU Mortgage**

- Towne/AmeriCU Mortgage will not accept an appraisal report that was obtained/ordered by a third party, such as a mortgage broker, real estate agency, builder, or borrower.
- Towne/AmeriCU Mortgage will only accept appraisal prepared by an appraiser for a different lender (including if the lender ordered the appraisal for a mortgage broker facilitated loan application). The other lender must provide Towne/AmeriCU Mortgage with a written assurance that lender complies with the HVCC.

#### **From Towne/AmeriCU Mortgage**

- At Towne/AmeriCU Mortgage's discretion, we will assign the appraisal report to another lender upon written request from that lender.
- Towne/AmeriCU Mortgage will provide written assurance that we complied with the HVCC.

### **Prohibited Acts**

The Code is very explicit regarding prohibited acts, this excerption is directly from the Code and must be followed accordingly: No employee, director, officer, or agency of the lender, or any other third party acting as joint venture partner, independent contractor, appraisal company, appraisal management company, or partner on behalf of the lender, shall influence or attempt to influence the development, reporting, result, or review of an appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner including but not limited to:

- (1) Withholding or threatening to withhold timely payment or partial payment for an appraisal report;

- (2) Withholding or threatening to withhold future business for an appraiser, or demoting or terminating or threatening to demote or terminate an appraiser;
- (3) Expressly or impliedly promising future business, promotions, or increased compensation for an appraiser;
- (4) Conditioning the order of an appraisal report or the payment of an appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached, or on a preliminary value estimate requested from an appraiser;
- (5) requesting that an appraiser provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that the appraiser provide estimated values or comparable sales at any time prior to the appraiser's completion of an appraisal report;
- (6) providing an appraiser an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transaction may be provided;
- (7) providing to an appraiser, appraisal company, appraisal management company, or any entity or person related to the appraiser, appraisal company, or property valuation services company, stock or other financial or non-financial benefits;
- (8) allowing the removal of an appraiser from a list of qualified appraisers, or the addition of an appraiser to an exclusionary list of disapproved appraisers, used by any entity, without prompt written notice to such appraiser, which notice shall include written evidence of the appraiser's illegal conduct, a violation of the Uniform Standard of Professional Appraisal Practice (USPAP) or state licensing standards, substandard performance, improper or unprofessional behavior or other substantive reason for removal (except that his prohibition will not preclude the management or appraiser list for bona fide administration reasons based on written, management-approved policies);
- (9) ordering, obtaining, using, or payment for a second or subsequent appraisal or automated valuation model (AVM) in connection with a mortgage financing transaction unless: (i) there is a reasonable basis to believe that the initial appraisal was flawed or tainted and such basis is clearly and appropriately noted in the loan file, or (ii) unless such appraisal or automated valuation model is done pursuant to written, pre-established bona fide pre- or post-funding appraisal review or quality control process or underwriting guidelines, and so long as the lender adheres to a policy of selecting the most reliable appraisal, rather than the appraisal that states the highest value; or
- (10) any other act or practice that impairs or attempts to impair an appraiser's independence, objectivity, or impartiality or violated law or regulations, including, but not limited to, the Truth in Lending Act (TILA) and Regulation Z, or the USPAP.

## **Quality Control**

Towne Mortgage Company will continue to perform quality control analysis in accordance with HVCC.

The Quality Control department will provide Freddie Mac and Fannie Mae with a report of any violations, adverse, negative or irregular findings, which result from quality control reviews and/or testing.

## **Appraisal Management Company**

The Appraisal Management Company must represent and warrant full compliance with the HVCC.

The Appraisal Management Company will agree to the following terms of service:

- Appraisal fees will not be the primary selection criteria for ordering appraisals. Towne/AmeriCU Mortgage will allow the appraisers to be paid a fee within market norms and will set a cap on the fee.
- Assignments will be rotated.
- Towne/AmeriCU Mortgage's Underwriters will be allowed to contact the appraiser or the Appraiser Management Company to discuss the appraisal.

## **Payment Collection**

The Appraisal Management Company will collect payment from the borrower(s) for the appraisal service. The Appraisal Management Company will be responsible for paying the appraiser.

## **RESPA**

The Appraisal Management Company will be the service provider disclosed on the GFE and HUD1.

Any questions regarding this policy should be directed to Secondary Marketing.