

# Moving Forward with HVCC

When entering the event, you will be prompted to:

**Step 1: Choose Audio Device**  
**- Use a Telephone/already connected with a telephone option.**

**Choose Audio Device**

Select one of the following options:

- Use microphone and speakers, or headset**  
You want to use your microphone and speakers, or headset, during the Event.
- Use a telephone/already connected with a telephone**  
You want to connect (or have already connected) your telephone to the AT&T Connect conferencing system.
- Remember my choice, don't ask next time.
- Do not use AT&T Connect audio on your computer**
  - You are using a standard phone call or non-AT&T Connect conferencing
  - You are in a room where there is already an established audio connection.

**AT&T Connect Participant Application**

**Dial-In Instructions (Personal)** [Help someone else dial-in](#)

- Select the location nearest to you: **U.S. Toll Free**
- Dial this number: **U.S. Toll Free**

Country Code:	Walnut Creek	
Number:	<b>1-866-818-4296</b>	Ext.:
Toll-Free:	<b>Yes</b>	Ext.:
Comments:	Preferred Dial-In for HVCC Webinar	
- When prompted, enter the following ID number:  
**Telephone User ID:** # **This ID is for you only - do NOT forward to others!!**

**Additional Instructions:** We strongly recommend connecting with the computer before dialing into the event.

**Step 2: Choose Toll Free Number for the event**

- Choose **U.S. Toll Free Number from the drop-down list**  
**(1-866-818-4296)**
- Dial-In with this Toll Free phone number and enter the ID number as listed on the instruction screen

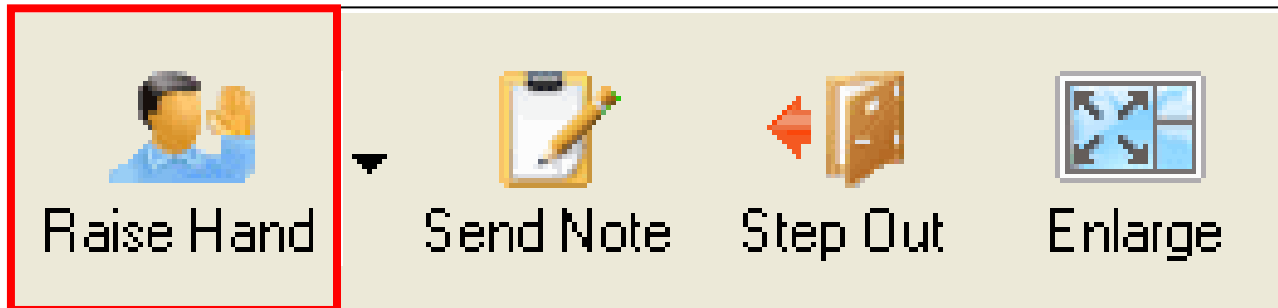


# Moving Forward with HVCC

Ellie Mae Webinar  
Thursday June 4<sup>th</sup>, 2009

**ENCOMPASS**<sup>®</sup>  
POWERED BY **ELLIE MAE**<sup>®</sup>

# Request to Speak

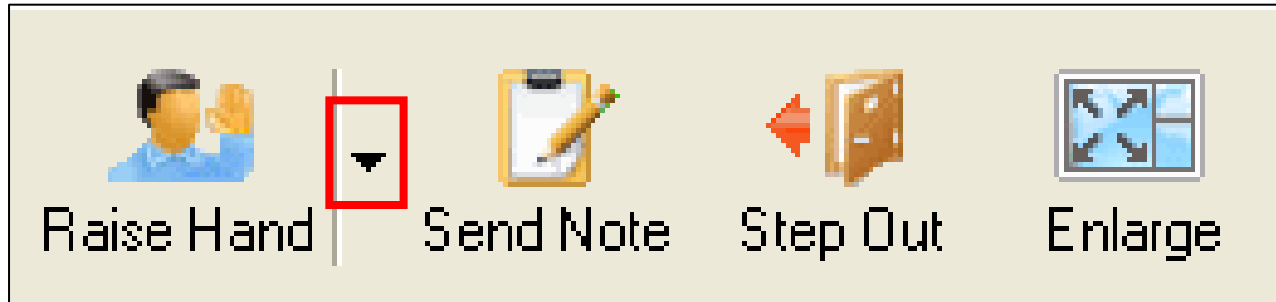










## Request to Speak

From the toolbar, click **Raise Hand** and wait for the Moderator to grant you permission to speak.

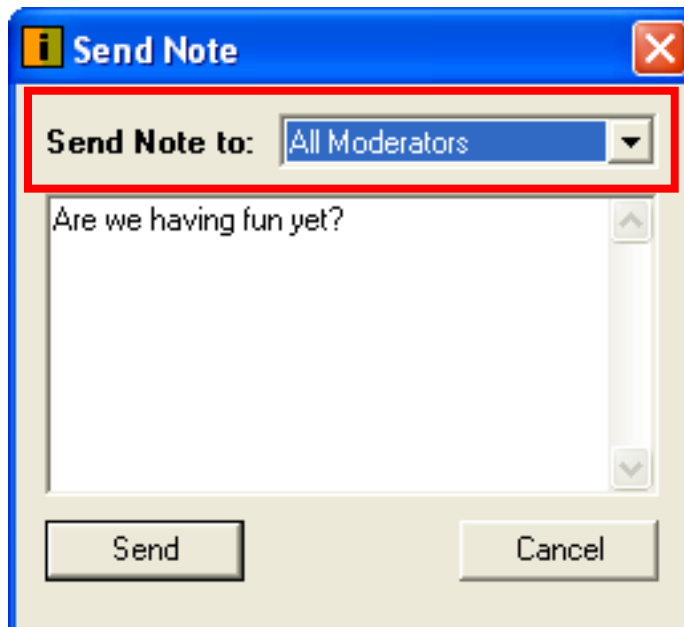
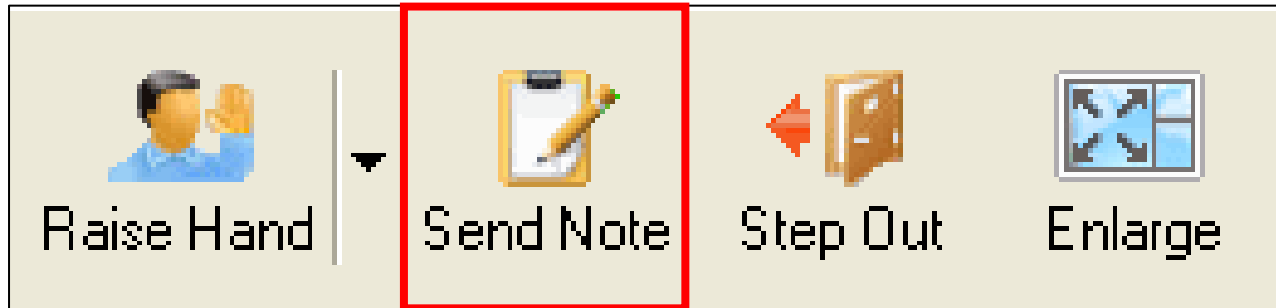


# Emoticons



-  Raise Hand
  -  Happy
  -  Unhappy
  -  OK/Agree
  -  Disagree
  -  Understand
  -  Confused
  -  Go Faster
  -  Go Slower
  -  Applaud
  -  Can't Hear
- Finish expression

# Send Note

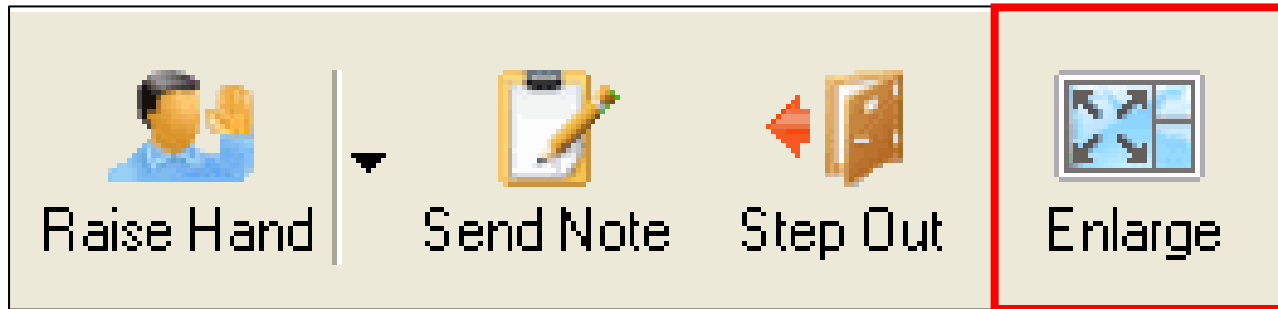


## Send Note

From the toolbar, click **Send Note** and select a Participant. Alternatively, right-click on the Participant in the Participant list and click **Send Note**.



# Enlarge Screen



## Enlarge Whiteboard



From the toolbar, click **Enlarge**. To return to normal size click **Reduce** or the **Exit Full Screen** button.



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# Speakers

Ellie Mae

- » Joseph Langner, Chief Operating Officer
- » Felix Veski, CMB, Encompass Appraisal Services

Appraisal Industry Expert

- » David Feldman, Division VP, Regulatory & International Valuation, First American Valuations and Property Solutions



- Current Chairman of the Appraisal Committee - TAVMA
- 1987 - SRA designation awarded by The Appraisal Institute
- 1997 - First American acquired David's appraisal co.
  - Principal and Chief Appraiser
- 2002-2006 Chief Appraiser, First American eAppraiseIT
- 2007 President, First American eAppraiseIT

# Agenda

1. Moving forward with HVCC
2. Encompass Appraisal Services
  - » Using Encompass to adhere to HVCC
3. Pros and Cons
  - » Managing your own appraisal panel
  - » Using an Appraisal Management Company (AMC)
  - » Hybrid Approach
4. Summary
5. Q&A

# Moving Forward with HVCC

- » Home Valuation Code of Conduct (HVCC)
  - » Effective May 1<sup>st</sup> for all conventional, single-family loans delivered to Fannie Mae or Freddie Mac.
- » Appraiser Independence Safeguards and Non-Influence
  - » Separation of production staff from selecting, retaining, recommending or influencing the selection of any appraiser
- » Rules vary by Investor and Loan Type
- » Added Complexity
- » Significant buy back Risk
- » Significant Risk in getting cut off by conduit or Fannie/Freddie

# Encompass Appraisal Order Management for HVCC

- » Select your own appraisers
  - » For companies that specialize in FHA/VA loans or portfolio lenders
  - » No Administrative Control - Uses default Encompass settings, individuals My ePASS settings
- » Select approved appraisers only
  - » Define which personas can order appraisals and the approved providers they can select.
  - » Manage your own list of appraisers and AMCs by service area (county, zip) and loan types
  - » The user selects an appraiser from the list of approved providers to submit the order
- » Automated “blind” ordering
  - » The orders are assigned randomly based on the appraisers set up in Encompass to accept orders for that loan type in that county or zip code
  - » Users have no visibility into appraiser selection.
- » Internal order desk
  - » Automated ordering request process, which sends an email notification to approved users “order desk” who can order appraisals.
  - » These approved users then select Appraiser or AMC from the company list of providers and place the order.

# Easy Setup for Appraisal Ordering Options

1

**Appraisal Ordering Options Admin**

Appraisal Ordering Options: Approved appraisers only Help Permissions

Define the personas that can submit orders and the approved providers they can select.

1) Create a list of providers your users can select. Create List

2) Define which providers can be selected based on loan type and subject property location. Edit Delete

Appraiser	Location	Loan Type
Acme Appraisals	All	Conv., FHA, VA, USDA-R...
Ellie Mae Appraisal Company	All	Conv., FHA, VA, USDA-R...
Joe's Appraisals	All	Conv., FHA, VA, USDA-R...

3) Select personas that can order appraisals, and configure their ordering options.

Persona	Allow	Conv	FHA	VA	USDA-RHS	Other	HELOC	Paid by COD*	Pay by Invoice*	View Sales Price*
Administrator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Broker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*Cannot be used with AMCs.

Enter the Encompass usernames (login IDs) of individuals (separated by comma) who are authorized to select appraisers and submit.

Send an email notification to the following address:

Close

- 1 Select an Ordering Option
  - 2 Setup Providers by service area and loan type
  - 3 Define which Personas can Order Appraisals
- A Enter Order Desk names  
(If using an internal Order Desk)

**Appraiser Selection Criteria**

Select the state and counties the provider is allowed to service:

State: CA - California

List of Counties and Zip Codes:

- CA - All Counties
- CA - ALAMEDA
- CA - ALPINE
- CA - AMADOR
- CA - BUTTE
- CA - CALAVERAS
- CA - COLUSA
- CA - CONTRA COSTA
- CA - DEL NORTE
- CA - EL DORADO
- CA - FRESNO
- CA - GLENN
- CA - HUMBOLDT

Selected list of Counties and Zip Codes:

All

Add > < Remove

Select the types of loans the provider is allowed to service:

Conventional  FHA  VA

USDA-RHS  Other  HELOC

Save Cancel

Study Guides are available on  
[www.elliemae.com/hvcc](http://www.elliemae.com/hvcc)

# Ordering Appraisals with Encompass is Convenient and Easy

Appraisers

My Appraisers | All Appraisers | Appraisal Management Co.

Select an appraiser and click Order.

Acme Appraisals	<a href="#">More info</a>	<a href="#">Remove</a>
Ellie Mae, Inc.	<a href="#">More info</a>	<a href="#">Remove</a>
Joe's Appraisals	<a href="#">More info</a>	<a href="#">Remove</a>

1

Add Appraiser | Add From Business Contacts | Order | Cancel

- 1 Select an Appraisal Provider
- 2 Enter Order Details
- 3 Click Send Order

Order Appraisal

**From**  
Name: Dennis Mishkin  
Email: dmishkin@email.com  
Phone: 555-555-5555

**To**  
Name: Joe's Appraisals  
Email: joesappraisals@email.com  
Phone: 555-555-5555

**Appraisal Info**  
Appraisal Type: 1004D  
Due Date: 04/22/2009

**Message**  
Type an email message for your appraisal here.  
This message will also be recorded in the Document Tracking Comments.

**Order Details**  
Borrower: Ackerley, Joseph  
Property Address: 1234 Five Street Gloucester, MA 01930  
Loan Purpose: Purchase  
Property Type: Detached  
Legal Description: See preliminary title report  
Loan Number: 0802EM000050  
Lien Position: FirstLien  
Property Vlll Be: PrimaryResidence  
Lot Size:

Target Lender: Ellie Mae, Inc.

Contact for Entry:

Contact Name:   
Home Phone:   
Business Phone:   
Mobile Phone:   
Special Instructions:

Attachment   
Attachment

2

3 Send Order | Cancel

- Convenient - saves time, reduces errors
- No need to rekey data
- Status automatically updated within Encompass
- Appraisal electronically returned to loan file

# Ensure HVCC Compliance with Encompass

## Use Encompass to demonstrate compliance

- 1 Automated "Blind" Ordering
- 2 Internal Order Desk
- 3 Authorize and Control who can order appraisals

**Order Appraisal**

**From**  
Name: Dennis Mishkin  
Email: dmishkin@email.com  
Phone: 555-555-5555

**To**  
This request will be randomly routed to an appraiser that has been setup by your system administrator.

**Order Details**  
Borrower: Ackerley, Joseph  
Property Address: 1234 Five Street  
Gloucester, MA 01930  
Loan Purpose: Purchase  
Property Type: Detached  
Legal Description: See preliminary title report  
Loan Number: 0802EM000050  
Loan Type: Conventional  
Lien Position: FirstLien  
Property Will Be: PrimaryResidence  
Lot Size:   
Target Lender: Ellie Mae, Inc.

**Appraisal Info**  
Appraisal Type: 1004D  
Due Date: 04/22/2009


**Message**  
Type an email message for your appraisal here.  
This message will also be recorded in the Document Tracking Comments.

Attachment   
Attachment

Contact for Entry:   
Contact Name:   
Home Phone:   
Business Phone:   
Mobile Phone:   
Special Instructions:

Send Order Cancel

**Select Appraiser**

 You are not authorized to order appraisals. Please contact your system administrator for more details.

OK

**Order Desk**

**Order Details**  
Borrower: Homeowner, John  
Property Address: 4100 Hipoma Cove  
MEMPHIS, TN 38125  
Loan Purpose: Purchase  
Property Type: Detached  
Legal Description: SEE PRELIM HHH  
Loan Number: EM10601000134  
Loan Type: Conventional  
Lien Position: FirstLien  
Property Will Be: PrimaryResidence  
Contact for Entry:   
Contact Name:   
Home Phone:   
Business Phone:   
Mobile Phone:   
Special Instructions:

Send Cancel

# Managing your own Appraisal Panel

## Pros

- »Known proven appraisers
- »Control

## Neutral

- »Price
- »Turn-times
- »Value

## Cons

- »Increased Compliance Risk
- »Ensuring/Proving HVCC compliance
  - » Demonstrating separation of Production Staff from the appraisal ordering process
  - » Audits
  - » More Documentation Requests
- »More work - Managing the panel
  - » Appraiser Licensing
  - » Compliance Issues
  - » Statement of non-influence
  - » Handling violations
- »Internal Quality Control

# Using an Appraisal Management Company

## Pros

- » Appraisal Panel managed at some or no extra cost per transaction
- » Experts in managing appraisers and complying with HVCC
- » Extensive Quality Control
- » Easier to show non-influence
- » National Service Area
- » Warranties and Guarantees

## Cons

- » Give up some Control

## Neutral

- » Price
- » Turn-times
- » Value

# AMC Urban Myths

## »Using Out of Area Appraisers

- » Appraisers don't understand my local market
- » Values understated

## »Responsiveness

- » Priority will be the AMCs mega-lender clients

## »Turn-times will suffer















- » Lose ability to Rush orders

## »Less Visibility into Order Status

## »Appraiser concerns

- » Need to go through an AMC
- » Pay cut impacts quality and turn-times

# Comparison of Appraisal Management Approaches for HVCC

	Internal Appraisal Panel	Appraisal Management Company
HVCC Compliance Risk		
Administrative Overhead		
Quality Control		
Turn-times		
Price - Cost of Appraisal		
Property Value		
Service Area		

# Consider a Hybrid Approach

## Pros

- » Best of both worlds
- » Responsive to production needs
  - » Local vs. out of county / state
  - » Respond to production volume  
Peaks and Valleys
- » Flexible approach based on Investor, Products and Loan Types
- » Control where you need it most, if its worth the extra risk and cost
- » Ability to evaluate performance of various AMC's, including AMC performance versus Internal Panel
- » Ability to respond to Investor policy changes

## Cons

- » Same Cons as for individual panel and AMC.

## Neutral

- » Price
- » Turn-times
- » Value

# AMC Partners Available on Encompass

All the benefits of ePASS electronic ordering



# Summary

- » You have options with Encompass support for HVCC
- » Figure out your Hybrid Model
- » Sign up with a least 2 AMCs
- » Stay vigilant on HVCC compliance Risk
- » Implement solutions that are flexible and responsive to market changes
- » Adhere to HVCC using Encompass to reduce risk, save time and money.
- » Ellie Mae is here to help you.
  - » [www.elliemae.com/hvcc](http://www.elliemae.com/hvcc)
  - » [www.elliemae.com/support](http://www.elliemae.com/support)



## Question and Answer

For all the latest information on HVCC solutions from Ellie Mae please visit [www.elliemae.com/hvcc](http://www.elliemae.com/hvcc)



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