

## The Case for AMCs – Pro-Teck Answering the Mailbox

**Waltham, MA, July 31, 2009** – In a press release last month Pro-Teck Valuation Services offered its perspective of the role of AMCs in the wake of HVCC, and their effect on the mortgage industry. We highlighted the advantages of working with an established AMC, including quality control, legal compliance and national coverage. The response to the release has been impressive.

Independent appraisers, mortgage brokers, loan originators and servicers have been flooding us with questions regarding our people, processes and priorities in the marketplace. While we can't answer each correspondence individually, the below Q&A captures the most popular topics:

**Question 1** – How does the market know that the reviews AMCs perform ensure better quality? What are the credentials of these reviewers?

This is a great question because it goes to the root of the AMC value proposition. The review is lacking if it is not completed by a trained and experienced review staff that include licensed/certified appraisers regionally located with access to all necessary tools. While we cannot speak for every AMC in the market, Pro-Teck's review personnel include appraisers with current licenses/certifications in states throughout the country. Our reviewers come from diverse backgrounds – from owning their own fee shops to former staff appraisers with lenders, due diligence firms and Wall Street firms. Pro Teck's review appraisers average 17 years of appraisal experience.

**Question 2** – MLS access is a key to the review process. How does an AMC provide that data within the review process without an appraiser in every zip code? Do your reviewers have access to MLS?

Top AMCs that deliver services nationally must be able to research local MLS data and incorporate the information into the quality process. The solution Pro-Teck employs is locating reviewers throughout the county and maintaining active MLS membership. In addition, our Vendor Network of appraisers and brokers have access to MLS on a micro level if needed.

**Question 3** – Turn-times demanded by AMCs are unrealistic. What is Pro-Teck's definition of realistic turn time on an appraisal?

Business processes today, at every level, are under some form of timing pressure. The mortgage origination market is the primary driver of appraisal turn-times, and is no different in its desire for "faster." The question becomes what is a reasonable time frame to complete a standard 1004?

When the order process is structured properly, an appraiser should be given 2 business days from date of inspection to produce a final report. This time frame allows for a quality review and correction of any quality issues and delivery of a final product to the client. Part of the issue may be that the market desires appraisal reports that have been through a quality control process, so appraisers have to adjust to the fact that reports will be reviewed and cannot languish in a production queue.

Sometimes a rush order is required to meet a client's urgent need. Like many other services, a premium is charged for a rush order and will only be accepted after an appraiser has accepted the timing set forth. The appraiser will also be additionally compensated for the rush order.

**Question 4** – There are many stories about AMCs using appraisers who are located great distances from the property and are not geographically competent. What is Pro-Teck's policy?

Policy and procedures differ from AMC to AMC. Quality focused AMCs drive their business model to the regional level via appraiser recruiting, proximity in the order placement process and real time scoring/improvement within review. All Pro-Teck's Vendor Network appraisers work in their local marketplace. Pro-Teck scores appraisers for each assignment, with proximity to subject property being a top criteria along with quality score for past appraisals. Since local appraisers know their local marketplace (per USPAP geographic competence requirements) and can be more cost competitive with local work, it just makes good business sense to use the local appraiser.

**Question 5** – What is your compensation plan for independent appraisers?

It is important to stress the added value of an AMC partner as part of an appraiser's overall successful business plan. AMCs find the clients, provide the customer service, quality control, billing, dispute resolution and insurance – leaving the appraiser more time to do what they do best, appraise residential home value.

We do not discuss fee agreements with anyone other than our Appraiser Partners due to confidentiality issues. We have a standard fee structure that is flexible enough to meet the needs of our national Vendor Network. If you are an appraiser that is interested in joining our network, please visit our Vendor Signup at [www.protk.com](http://www.protk.com).

Pro-Teck looks for quality above all else in its Appraiser Network, we believe appraisers should do the same when working with AMCs. Make sure your AMC is helping you provide the best information, adding value both to the appraisal and to your back office operations. If both appraisers and AMCs search for quality, the marketplace will benefit.

About Pro-Teck Services:

Established in 1977, Pro-Teck Services works with lenders, servicers, investors and insurance underwriters to improve risk management through superior real estate collateral information. By focusing on quality, customer service and technology, Pro-Teck Services enables its customers to make sound valuation decisions.

Contact:

Domenica Puleo

781.314.1627

[dpuleo@protk.com](mailto:dpuleo@protk.com)