

Tired of all the new regulation? Fear not, technology can help.

The rapidly changing regulatory landscape and the new GSE requirements significantly impacted the appraisal management and collateral valuation industries in 2011 and continue to do so in 2012. Without critical innovation and widespread industry adoption, difficulties with the newly required MISMO 2.6 appraisal data could have choked origination pipelines at a time when this industry can least afford it.

By Jennifer Miller

It took the industry's foresight and commitment to prevent what could have been a massive interruption in the delivery of appraisal data. Imagine appraisers attempting to comply with the GSEs' new requirements without innovative solutions. Appraisers would be trying to convert their own report data to the required XML format. They would be attempting to attach it to unencrypted e-mail messages (a violation of Federal law which

INNOVATION TO THE

RESCUE

carries severe financial penalties of up to \$100,000 per violation with possible prison time, and falls squarely on the lenders' shoulders). Finally, they would be troubleshooting the delivery and receipt of that data on a per-client basis. It would have been ugly.

Instead, leading appraisal management operations quickly adopted new technology that streamlined compliance. The past several months has been a great testament to how quickly and successfully our industry can adapt to change. I'm extremely proud of how our industry has leveraged technology to overcome obstacles during the past year.

We had a unique opportunity to innovate a solution that streamlines the delivery of compliant appraisal data and ensures the easiest possible transition for all lenders and AMCs to easily comply with the GSEs new Uniform Collateral Data Platform (UCDP).

SPEED TO MARKET

The key to successfully addressing the MISMO 2.6 appraisal data requirements not only relied upon innovative technology but also in the speed at which it could be delivered to the masses. Vendors were challenged with how to get this innovative solution in so many hands, very quickly. It started with the appraisers.

Today's most innovative provider's

“In this time of uncertainty, the industry's avoidance of what could have been a major obstacle, has served us all very well.”

appraisal formfilling software is used by over half the appraisers in the country, which allows for significant traction due to having a presence on the desktop of a majority of the nation's appraisers. In addition, they released a free product to all appraisers regardless of the formfilling software they use that allows them to deliver a report in the newly required MISMO 2.6 standard.

If you conservatively estimate it would take an appraiser ten minutes to manually

do all the tasks, what this new innovation does for them automatically, we can conclude that this innovation has saved appraisers a total of 15 million minutes, or 250,000 hours since September 1st.

With this innovative solution, appraisers can just click a button and the report is converted, automatically uploaded to a secure server, and a notification e-mail is sent to their lender or AMC client alerting them of the finished report.

When the lender or AMC receives the e-mail notification, they can click on a link to be taken to the secure server, and then easily and quickly download the required XML and/or a PDF of the report. The secure server also shows salient property details so lenders and AMCs can get report highlights immediately.

Links in the delivery portal also allow the client to download and install the optional but highly recommended UAD Reader application as well. With UAD Reader, the XML file can be examined, printed, reviewed, and managed in native XML format. UAD Reader includes many client-specific features integrated seamlessly with the solution, and is in use on thousands of underwriter and AMC desktops nationwide.

The lender or AMC recipient can then manage the report data from within this innovative app. They can submit directly to UCDP via the provider's direct integra-

tion with the GSE portal, free of charge.

The free direct integration to UCDP is of huge significance to the nation's smaller lenders and AMCs. Their percentage of the nation's overall origination volume continues to climb, yet they do not have the same technology and financial resources found at large lenders and AMCs. Instead of UCDP and appraisal compliance requirements significantly impacting their operations expenses, they can sail through with this innovative so-

lution's direct UCDP integration without paying a dime.

In addition, all users will have seamless access to the industry leading suite of solutions, including a full suite of compliant appraisal ordering tools, robust appraiser selection, customizable quality control tools, and end-to-end audit trails for satisfying regulatory compliance exams.

THE RIGHT PLACE

I'm especially proud that Mercury Network played such an important role in this transition. No other technology provider has the presence on appraiser desktops, or the experience in appraisal data and compliant delivery to streamline deliveries on this scale.

Appraisers and appraisal managers quickly embraced Mercury Network's free service, DataCourier. DataCourier is an automated "formfiller agnostic" UAD appraisal packaging and delivery service. It enables any appraiser to securely deliver UAD compliant appraisals to any lender or AMC in the country, with the assurance that all newly required appraisal report components are included and compliant. Since the UAD requirements went into effect on September 1st, there have been over 1.5 million compliant appraisals delivered via DataCourier. Those appraisals were error-checked before delivery, sent with all required elements, and securely delivered in accordance with consumer privacy protection. The service averted what could have been a quagmire when the new appraisal requirements went into effect late last year and early in 2012.

Mercury Network was the backbone for over 3.7 million appraisals in the last year, and with DataCourier's volume surpassing our expectations at nearly 100,000 transactions each week right now and still growing rapidly, it's quite possible that Mercury's volume could double this year. DataCourier is a great example of how we can leverage the quality of our innovation and the reliability of our technology to solve massively scaled problems at both ends of the transaction. It's easy to claim

you can transform an industry with technology, but our dominant market share allows us to make good on that promise, and quickly.

DataCourier has contributed to positive change in the industry by preventing serious appraisal delivery delays, dramatically reducing hassles with delivery and receipt, and offering a compliant solution for appraisal delivery that keeps lenders out of very serious GLBA violations. In addition, DataCourier levels the playing field for smaller lenders and AMCs. They now have access to more powerful technology than many of their larger competitors, without any investment. Rather than using the new regulations and GSE requirements to force lenders and AMCs to buy extra solutions, a la mode chose the longer range

strategy of providing first in class technology for free to anyone. That choice is consistent with our 26 year history of confidence that great, innovative technology will speak for itself. When lenders and AMCs use DataCourier, they will like what they see and want to try other Mercury Network software tools.

From compliance expediency, to the avoidance of hassles and manual, error-

prone file conversion and delivery, DataCourier has had a substantial impact on the industry. DataCourier saves appraisers, lenders, and AMCs tremendous time and overhead expense. In addition, DataCourier's secure delivery of the NPI contained in an appraisal report shields lenders and AMCs from potentially catastrophic violations of the GLBA, where penalties include fines of \$10,000 per violation. ❖

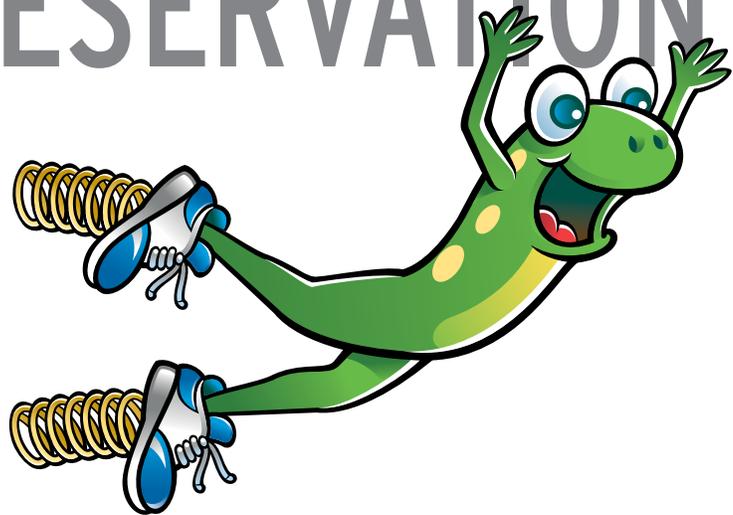
ABOUT THE AUTHOR

Jennifer Miller is EVP, Products for a la mode's Mortgage Solutions Division. She manages the flagship product, Mercury Network, an online Vendor Management Platform allowing lenders and AMCs to manage their entire appraisal workflow while being compliant with all appraisal independence standards and banking security regulations. Mercury Network has been used by more than 200,000 mortgage professionals.



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