

COLLATERAL VALUATION:

10

WAYS TO PREPARE FOR THE BUSY SEASON

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BY PATRICK SCOTT

Appraisal turn times are longer and fees are higher in many areas of the country, and we've just barely begun the Spring buying season. Many lenders are scrambling to make sure they're ready for an uptick in originations, and process and efficiency of operations can make a major difference to your bottom line.

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In the mortgage industry, we almost always see an increase in activity in the Spring, and many analysts are predicting more activity than is usually forecasted for the Spring of 2017. When volume really heats up, it's critical that your collateral valuation process can support your increase in production. If not, you will waste tremendous time in operations, you could delay closings, face disappointed borrowers, and even lose deals.

You CAN be prepared and meet these challenges head on to really add significant value to your institution. There are powerful collateral valuation tools available that will help you stay ahead of your competition and power your operations to run more smoothly than they ever have before. You can be prepared for the busy season, and even be in a strate-

if your volume is fairly low, but you can get several more efficiency benefits out of your appraisal management system so take a look at this option before the Spring real estate market really heats up.

2.) Get easy access to more than enough vendors so you're covered.

Whether you use appraisal management companies (AMCs) or appraisers directly, now is the time to make sure you have more than enough vendors to support you when things get busier. If you're scaling up operations in specific regions of the country, plan ahead to make sure your valuation vendors are in place and can handle your assignments. If you've had trouble finding the right appraiser or AMCs in certain areas in the past, it's time to beef up your pool of eligible vendors now so you're not left with-

the order, you may be waiting longer than you prefer. If they don't accept the order, you will have wasted that time up front, and have to start again by re-assigning to the next vendor in line and wait for them to accept or decline the order. This inefficient process can add days to your turn times at the beginning of the process, but there are many ways to mitigate these administrative delays. Instead, you can use technology to automatically select multiple appraisers and contact them before assigning the order. This can get your appraisal started much faster since you will avoid assigning orders to vendors who can't meet your turn time, only to blindly assign to the next in line, who may also be too busy. In this process of going from individual vendor to the next in line, you can waste days just trying to assign the order.



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gic position to support your growth moving forward. Here are 10 ways to streamline your collateral valuation and operations.

1.) Trade spreadsheets for software.

If you're still managing your collateral valuation operations with spreadsheets, consider using an appraisal management system. Change is always hard, but talk to some of your industry colleagues to get feedback on the right system for your institution. Don't be intimidated by costs. Appraisal management systems typically charge on a per-order basis, so you only pay for what you're actually using. Plus, many of these systems allow you to pass the software fee to your vendor, so you see all the efficiency benefits and aren't actually paying for it. You may think spreadsheets are enough

out a vendor as your volume heats up. Make sure you have the flexibility to easily add or swap vendors. In your appraisal management system, you should be able to place orders with either AMCs or appraisers, and you need the ability to quickly add new vendors to your system without hassles or delays.

3.) Monitor your vendors' capacity so orders can be distributed and your turn times are faster.

Your appraisal management system should provide a view into your vendor's current workload so you're not assigning orders to someone who is already overloaded. Sending the order to a vendor who is already at full capacity, or even late with some of your appraisal orders, will only delay your report. If they accept

4.) Use vendor ratings. Inside your appraisal management system, use the ratings system to grade each vendor after each assignment is delivered. It will only take a few seconds on each order if you're using a simple star rating system, but it will give you a broad view of performance across multiple orders. You can use those ratings to more efficiently assign future orders, plus you could avoid a problem vendor with poor ratings and save valuable time by choosing a highly rated vendor instead.

5.) Check vendor performance data.

Detailed statistics on vendor performance should be automatically tracked inside your appraisal management system. It's important to take a few minutes to review these performance stats periodically and adjust



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your order routing accordingly. You can track acceptance rates, rework rates and several other metrics, plus revision turn times. Make sure your appraisal management system gives you easy access to these vendor performance statistics. Also, look for a platform that will deliver custom reports on the performance stats that mean the most to your operation.

6.) Make sure vendors are using technology to accelerate their turn times. Your appraisal management system provides powerful mobile tools to appraisers (for free) that can help appraisers manage orders and respond to you much faster. Mobile apps have proven to reduce order response time by $\frac{2}{3}$, and they can cut a full business day off report delivery turn times. Since the mobile applications are free, make sure to encourage the appraisers in your fee panel to use the technology at their disposal to provide faster service.

7.) Integrate your appraisal management system with your LOS. This will save valuable time with several benefits. First, you will eliminate data entry mistakes that cause delays. Since order information flows directly from the LOS into the appraisal data, you won't have to manually enter orders. Second, an integration with your LOS will give your staff a live status on their appraisal order. Instead of wasting your time with phone calls and emails asking for status, they can see exactly what's going on with the appraisal right inside the LOS. Third, your staff will save valuable time since they're not

forced to log in to a variety of systems just to order an appraisal. If everything is handled from inside their familiar LOS, the valuation process can be simplified and accelerated significantly.

8.) Use a single dashboard to view all your collateral valuation operations. With a consolidated dashboard, you can view all your collateral valuation orders across all channels. These technology dashboards are easy to customize to suit your workflow and preferences, so processing and managing your operations is easier and must faster.

9.) Consolidate all valuation orders to one platform to save more time. If you're ordering residential appraisal reports, QC reports, AVMS, commercial appraisals or AMC services from multiple websites, consider consolidating these orders to one technology platform. You can still use your preferred vendors, and you will save valuable time by avoiding multiple websites or processes. Your appraisal management system can serve as a single login for all your collateral valuation operations, and you gain a wide

view of everything in your pipeline, rather than have it scattered on various vendor websites.

10.) Automate vendor selection based on what's most important to you. You can use your appraisal management system's tools to customize criteria so the best vendors are suggested for each order. If you prefer a vendor be within a certain radius of the subject property, use technology to filter and show you only those eligible vendors. The automation options are endless, and you can easily filter vendors by their ratings, their turn times, on time percentage, quality ratings, professionalism ratings, order acceptance percentages and more.

If you want to take advantage of the busy season, it's critical you have a collateral valuation plan in place to support your production team and your borrowers. To be prepared, it doesn't take nearly as long as you might think. In less than 10 days, you can be in a much stronger and more strategic position to help your institution leverage the busy Spring mortgage markets. ❖

ABOUT THE AUTHOR

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