

Risk Spectrum and Cost-Benefit Analysis of Real Estate Valuation Solutions

| SOLUTION TYPE |  AUTOMATED VALUATION MODEL (AVM) |  INTERACTIVE VALUATION RESEARCH |  AVM+PCR WITH VALIDATION |  BROKER PRICE OPINION (BPO) |  EVALUATIONS |  PROPERTY DATA COLLECTION (PDC/PDR) |  VIRTUAL INSPECTION |  HYBRID OR DESKTOP APPRAISALS |  BIFURCATED VALUATIONS OR APPRAISALS |  DRIVE-BY APPRAISALS (Exterior Only) |  FULL INTERIOR APPRAISALS | |
|---|--|---|--|---|--|--|--|---|---|---|---|--|
| LOAN RISK LEVEL <small>(Based on GSE Analytics)</small> | ← LOWEST RISK | | | | | | | HIGHEST RISK → | | | | |
| TURN TIMES | SHORTEST TURN TIME ← | | | | | | | → LONGEST TURN TIME | | | | |
| COST | \$ | \$ | \$ | \$\$ | \$\$ | \$\$ | \$\$ | \$\$\$ | \$\$\$\$ | \$\$\$\$ | \$\$\$\$\$ | |
| PRODUCT DESCRIPTION | <p>AVMs are advanced rule-based processes by which real estate values are determined using statistical models and expert data systems.</p> <p>AVMs are continually tested, measured and analyzed to identify precise valuation accuracy metrics.</p> | <p>A licensed appraiser or analyst leverages an interactive tool to select the best comparables that are to be used to generate a value conclusion.</p> <p>Useful for reconsideration of value processes.</p> | <p>An Inspection of choice is completed, and an AVM of the subject property is run.</p> <p>A final review of the AVM and inspection result is conducted by an in-house analyst.</p> <p>The evaluator will provide review commentary on the condition and AVM value presented and sign/date the form.</p> | <p>A real estate agent or broker will use their expertise to assign a dollar amount to a property based on certain factors.</p> <p>BPOs are normally performed by a broker who is familiar with the local housing market.</p> | <p>Leverages an exterior and/or interior inspection completed by a local real estate agent or interior virtual inspection completed by a trained inspector.</p> <p>A desktop valuation is then completed by an experienced analyst utilizing inspection information, local MLS, public records and enhanced market analytics.</p> <p>Complies with the Interagency Guidelines as an Evaluation for transaction amounts (loan amounts) \$400,000 or less.</p> | <p>A real estate agent or broker will assess the property using a thorough app-driven process to gather data, photos, and a floor plan.</p> <p>A property data collection that can be used with Fannie Mae's® value acceptance + property data or Freddie Mac's® ACE+ PDR solutions.</p> | <p>Virtual residential property condition inspections, on demand or scheduled, conducted by qualified real estate professionals.</p> <p>The detailed reports provided deliver a thorough assessment of a home's interior and/or exterior condition, covering structural integrity, maintenance needs, and potential repairs.</p> | <p>An appraisal that leverages GSE alternative appraisal options by ordering an appraisal completed by a licensed appraiser with local market expertise, using trusted floor plan and property data to deliver a desktop appraisal.</p> | <p>Similar to a traditional appraisal, but instead of the appraiser doing both the inspection of the home and the appraisal report, the process is split into two parts that are each completed by a different person.</p> <p>The report must be completed by a licensed appraiser.</p> <p>A state-credentialed appraiser is not required for onsite inspection/property data collection.</p> | <p>A drive-by appraisal, or external appraisal, is a form of home appraisal that is conducted without a licensed appraiser needing to enter the home.</p> <p>The appraiser will examine the home from the outside, usually from a public roadway, to estimate the home's value based on the property's attributes and exterior condition, as well as the state of the surrounding area.</p> | <p>A licensed appraiser completes all aspects of the report, including inspection of the property, taking photos, measuring and evaluating the condition of the property, and determining the value conclusion.</p> <p>This should be used for complex, non-conforming properties with high LTVs.</p> | |
| ValPROTECT™ <small>(Add-on limited-warranty to minimize risk of financial loss)</small> |  |  |  |  |  |  |  |  |  |  |  | |