# VEROS CONFIDENCE SCORE: VCS
## Today's Business Decisions Demand the Confidence Veros Delivers

## Powerful Analytics for a Powerful Confidence Score

The Veros Confidence Score™ (VCS™) is specifically designed to consistently indicate the accuracy of the underlying valuations provided by VeroVALUE™. Veros employs proprietary techniques to examine numerous relevant factors and their effect on valuation accuracy. These factors include patterns and relationships reflective of accuracy identified in Veros' multiple valuation methods, property fitness analytics, and a host of collateral analytics across a variety of valuation-centric constraints, such as property types, price levels and geographic/regional influences.

Each VCS is focused on and correlated with median absolute error rates, the best single indicator of accuracy. Further, understanding that errors are not necessarily normally distributed, Veros has designed our confidence score to recognize expected errors for specific valuations based on empirical distributions (e.g., the 95th percentile error).

### Veros Exceeds Expectations: High Correlation & Usability

Veros delivers confidence scores using a scale of 1–99 which meaningfully correlates to the accuracy of the valuations. The scale's simplicity enables any organization to easily build highly effective rules for optimal collateral decisions. Veros consistently delivers the highest percentage of values at the highest levels of confidence – resulting in the highest possible number of accurate values.
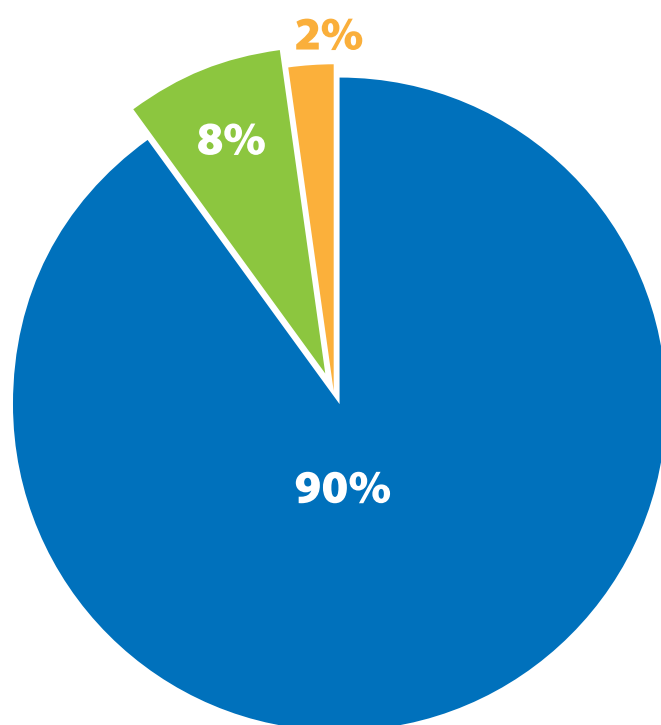
**99**

### Confidence Scoring in Decision-Making

The term "confidence score" is a numeric value used to rate the accuracy, or confidence, of an AVM valuation. Any AVM user should expect a confidence score to be a consistent measure of accuracy and useful for service level determination or any other business decision where confidence in valuation precision is paramount.

# Valuation Distribution by Confidence

The Veros Confidence Score™ (VCS™) is specifically designed to reliably gauge the precision of valuations generated by VeroVALUE. Within Veros' framework, each major VCS range generally corresponds to a specific median absolute error. Thus, values with VCS 90 to 99 generally have a median absolute error of approximately 5%, while VCS 80 to 89 correspond with +/-10% error, and so forth.

| Models | Veros Confidence Score Thresholds |
|---|---|
| VeroVALUE Preferred | 90 |
| VeroVALUE | 78 |

**In third party testing, Veros' VeroVALUE AVM routinely outperforms all other industry models for both hit rate and accuracy. The most accurate valuations consistently receive high Veros Confidence Scores.**

2%

8%

90%

■ **90-99 Confidence Score**
**≈5% Median Absolute Error**

■ **80-89 Confidence Score**
**≈10% Median Absolute Error**

■ **79 Confidence Score and Below**

## Veros Offers a Better Approach for True Confidence

VCS was architected with core analytics as a foundational component of its confidence scoring methodology. Veros recognizes that the integrity and precision of confidence scores are directly dependent on the strength of the underlying analytics, resulting in strong data-driven decision-making.

## To learn more contact:

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