

Home Valuation Code of Conduct Compliance Guidelines

Universal Real Estate Services is an independent, third party appraisal management company and has reviewed the final version of the Home Valuation Code of Conduct and has created written policies and procedures to ensure full compliance to the Code. These policies and procedures will further ensure that lenders are in compliance when HVCC is effective on May 1, 2009.

I – Appraiser Independence Safeguards

- **Universal** ensures that all appraisers are licensed or certified in applicable state. All appraisers are cross-checked daily with the Appraisal Subcommittee database for active licensing and disciplinary actions.
- We ensure that the “development, reporting, result, or review of an appraisal” is not influenced in any way.

II – Borrower Receipt of Appraisal

- Per HVCC, we ensure that the lender provides a copy of the appraisal to the borrower, free of charge and immediately upon completion, or in any event no less than three days prior to the closing of the loan.

III – Appraiser Engagement

- Per HVCC, **Universal** will select, retain, and provide payment of all compensation to the appraiser. We will further ensure that all members of the lender’s loan production staff will be forbidden from:
 1. Selecting, retaining recommending, or influencing the selection of any appraiser for a particular assignment
 2. Any communications with an appraiser
- **Universal** will assist lender in clearly demonstrating that absolute lines of independence have been achieved and that lender has prudent safeguards to isolate it’s collateral valuation process from influence.
- **Universal** ensures that all staff tasked with selecting appraisers for it’s approved panel is “trained and qualified in the area of real estate appraisals” and “independent of any loan production staff”.

IV – Prevention of Improper Influences on Appraiser

- **Universal** is an independent third party appraisal management company and does not have any ownership affiliation with any lender.
- **Universal** will not provide “any estimated or target value of the property or the loan amount applied” to the appraiser on the lender’s behalf.
- **Universal** ensures that compensation “does not depend in any way on the value arrived at in any appraisal”.
- **Universal** has adopted written policies and procedures implementing the Code of Conduct. **Universal** also has mechanisms in place to report anyone who violates these policies and procedures.

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V – The Independent Valuation Protection Institute (IVPI)

- **Universal** will assist the lender in providing information to borrowers about the IVPI and its services.
- **Universal** fully supports the creation and regulation of the IVPI.

VI – Appraisal Quality Control Testing

- **Universal** will provide the lender with quality control testing of a random selection of 10 percent of its appraisal reports. A report will be provided to the lender with “any adverse, negative, or irregular findings of such quality control testing”.

VII – Referrals of Appraisal Misconduct Reports

- **Universal** is aware that if any lender has a reasonable basis to believe an appraiser or appraisal management company is violating applicable laws, the lender will refer the matter to the appropriate authorities.

VIII – Representations and Warranties

- **Universal** will ensure the lender is in full compliance of the HVCC and the lender can certify, warrant, and represent that the appraisal report was obtained in a compliant manner according to the Code of Conduct.

IX – Scope of Code

- **Universal** is aware that nothing in this Code of Conduct shall be construed to establish new requirements or obligations that:
 - a. require a lender to use a particular method for property valuation
 - b. affect the acceptable scope of work for an appraiser for a particular assignment
 - c. require the lender or third party to take any action prohibited by law