

HVCC – HOME VALUATION CODE OF CONDUCT

Due to the recent regulation passed in December 2008 by the Federal Housing Finance Agency (FHFA) new standards in relation to Appraisal Procedures must be followed. The areas addressed by this legislation:

- The process for ordering appraisals
- Appraiser Independence
- Improper influence on Appraisers

The changes in our policies and procedures outlined in this document are made available to our broker communities on 4/14/09 and will become mandatory 5/1/09.

If you are interested, you may view the entire regulation by clicking:

<http://www.ofheo.gov/media/news%20releases/HVCCFinalCODE122308.pdf>

STEARNS POLICY AND PROCEDURES

As a result of the HVCC requirements, Stearns has made appropriate changes to our existing Appraisal Policy. These changes will be in effect 5/1/09 and affect all **Conventional loans** that have an application date and/or are registered with Stearns on or after May 1, 2009. In response to the new regulation and as a convenience to our brokers, Stearns Lending has built a new portal on our broker site.

BENEFITS OF ORDERING AN APPRAISAL ON LINE

Stearns Lending's portal will connect you to multiple Stearns approved Appraisal Management Companies (AMCs) which will provide you with easy access to a Code Compliant Appraisal Process.

When you use the system it ensures the following:

- Potentially better pricing – this may mean that there is less cost to you for your appraisals
- You will benefit from Stearns Lending's negotiated contract which will help ensure more uniform turn times and levels of service
- The system will choose the best AMC to fit your specific needs
- That all brokers are totally compliant by restricting them from selecting appraisers or ordering directly from appraisers or AMCs
- The click of a mouse provides a dashboard view of all statuses and notifications within your pipeline

PORTABILITY

Appraisals ordered through the Stearns ARS will be in the name of Stearns Lending. Stearns will accommodate with assignments and certifications for appraisals that meet the release requirements. All appraisal releases **MUST** be approved by an authorized Manager. To request a release, please contact your Stearns Lending branch office. Stearns reserves the right to limit the ability of a broker to order through our system should we determine abuses of the system.

For appraisals ordered through another institution, Stearns Lending will accept appraisals that contain a certification from the ordering lender that the appraisal is HVCC Compliant. Stearns will apply typical appraisal review underwriting criteria to all appraisals received.

TRAINING

To help communicate all the requirements and to ensure that all of our customers are HVCC compliant by the 5/1/09 deadline, Stearns will be offering training materials, including the step by step manual on how to order , track and send comments on your appraisal pipelines. **PLEASE WATCH** for additional information soon to come.

FOR MORE INFORMATION

For additional information and/or assistance, please contact your Account Executive or branch manager.

PROCESS FOR ORDERING APPRAISALS

As a result of the HVCC requirements, Stearns has made appropriate changes to our existing Appraisal Policy. These changes will be in effect 5/1/09 and affect all **Conventional loans** that have an application date and/or are registered with Stearns on or after May 1, 2009.

In response to the new regulation, Stearns Lending has built a new portal on our www.stearnswholesale.com site.

This portal, the Appraisal Request System is a fully programmed system that makes your appraisal order process simple. As it is separate from all other features on our website, it will require a specific login and password which can be obtained by registering on line.

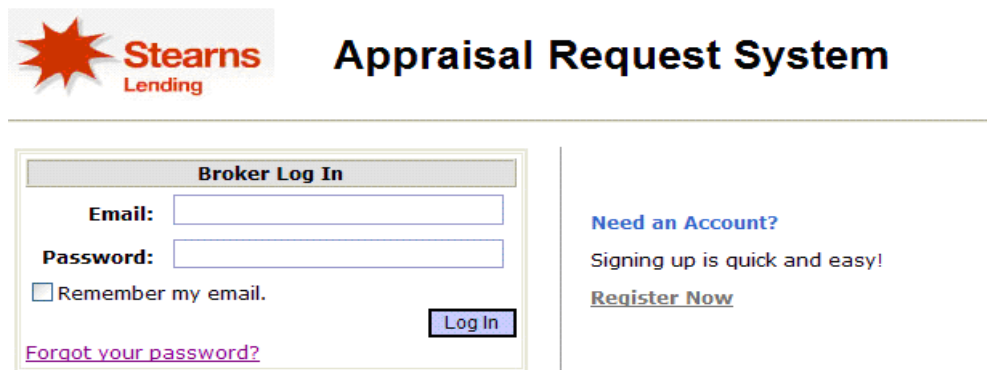
The new procedures that must be followed when ordering appraisals on all Conventional Loans are outlined in this document.

In order to utilize the Appraisal Request System Module go to our websites www.stearnswholesale.com and follow these instructions::

1. Click on the Appraisal Request System Button on the Stearns home page and follow these instructions:



2. Log In with a specific log in and password that can be obtained from Stearns Lending Inc, Corporate Support department at corporatesupport@stearns.com



The screenshot shows the 'Appraisal Request System' login page. At the top left is the Stearns Lending logo. The main heading is 'Appraisal Request System'. Below the heading is a 'Broker Log In' form with the following fields: 'Email:' with a text input box, 'Password:' with a text input box, and a checkbox labeled 'Remember my email.'. A 'Log In' button is located at the bottom right of the form. Below the form is a link for 'Forgot your password?'. To the right of the form is a section titled 'Need an Account?' with the text 'Signing up is quick and easy!' and a 'Register Now' link.

3. Fill out the Order Information screen.

My Orders New Request My Profile Log Out
Appraisal Order Request
Order Details Contact Info Upload Docs Payment Info Confirmation
<div style="border: 1px solid black; border-radius: 15px; display: inline-block; padding: 2px 10px; margin-bottom: 10px;"> Order Information </div> <p>Please complete the following information regarding the product, property, and loan for this order.</p> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <p>Product</p> <p>* Property Type: SFR ▼</p> <p>* Report Type: 1004 ▼</p> </div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <p>Property Info</p> <p>* Address: 123 Main St</p> <p>* City, State: Walnut Creek, CA ▼</p> <p>* Zip Code: 99999</p> <p>* County: Contra Costa ▼</p> <p>Property Use: Owner Occupied ▼</p> <p>Additional Description: The property is an REO ▲▼</p> </div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <p>Loan Info</p> <p>Loan Number: 7894549</p> <p>* Loan Type: <input checked="" type="radio"/> Purchase <input type="radio"/> Refinance</p> <p>* Borrower: Jason Smith</p> <p>* Borrower Email: borrower@test.com</p> <p>* Address: 888 Borrower Lane</p> <p>* City, State: Laguna, CA ▼</p> <p>* Zip Code: 98888</p> <p>Additional Loan Info: ▲▼</p> </div> <div style="border: 1px solid #ccc; padding: 5px;"> <p>Mortgage Broker Info</p> <p>* Email: mortgagebroker@test.com</p> <p style="font-size: small;">(Email notifications will be sent to this address.)</p> </div>

Next

4. Complete the “Property Inspection Contacts” screen.

My Orders New Request My Profile Log Out

Appraisal Order Request

Order Details Contact Info Upload Docs Payment Info Confirmation

Property Inspection Contacts

Please provide contact information for at least one person we may call to schedule an inspection.

Inspection Contacts

Relation: -- SELECT --

Contact Name:

Day Phone:

Eve. Phone:

Other Phone:

Email:

Add

Relation	Name	Phone#	Email
Selling Agent	Mike Seller	(415) 888-9999	mike@seller.com

Next >>

5. Upload any pertinent documents to order – Purchase Agreement etc.

My Orders New Request My Profile Log Out

Appraisal Order Request

Order Details Contact Info Upload Docs Payment Info Confirmation

Document Upload

To upload documents, complete the following steps:

1. Select a document type from the list below.
2. Click "Browse..." and locate the file on your computer.
3. Click "Upload." A progress indicator will appear.
4. Confirm the uploaded document is indicated in the bottom panel.
5. To remove a document, select the appropriate checkbox and click "Remove."
6. Repeat this process until all relevant documents are uploaded, then click "Next".

Order Document Upload

Document Type: Original Appraisal

Select File: Browse...

Upload

Received Documents

File Name	Document Type	Uploaded On
test_v1.pdf	Purchase Agreement	04/03/09 12:06 PM

Next

6. **Payment options:** Choose one of the following “Fee Agreements” then enter your CreditCard information for payment.

My Orders New Request My Profile Log Out

Appraisal Order Request

Order Details Contact Info Upload Docs **Payment Info** Confirmation

Payment Information

Payment by credit card required. You may enter your card information or you may enter your borrower's card number and information if you have received authorization to do so.

The estimated fee range for this appraisal assignment is:

\$375.00 - \$425.00

Fee Agreement

Charge credit card if appraisal fee is within range above. Allow me to approve fees outside the range.

Charge credit card the final appraisal fee that is determined by the AMC.

Allow me to approve the final fee that is determined by the AMC.

Please complete the following form to submit payment information.

Credit Card Info

Credit Card Type:

Account Number:

Expiration Date: /

Cardholder First Name:

Last Name:

Billing Address 1:

Address 2:

City, State: --

Zip:

7. This screen will allow you to review all appraisal orders in process and current status.

My Orders New Request My Profile Log Out

Order Activity: George Moneymaker

Product Type: Status: Property Type:

Borrower	Loan #	Address	City	State	Status	Due
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		
Tom Smith	212312	2062 Fulton St	San Francisco	CA	In Process	
Jane Borrower	43432434	2844 Circle Dr	Concord	CA	Order Requested	
John Borrower	34334	936 Detroit Ave	Concord	CA	Pending Fee Designation	

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8. By clicking on any of the orders in process you will be linked to a summary view. Once completed, the Order Summary screen allows you to print results

My Orders	New Request	My Profile	Log Out
Address: 2844 Circle Dr Concord, CA 94518	Loan #: 43432434	Fee: no fee set	Date Due: no date set
Status: Order Requested			
Summary	Details	Contacts	Documents
Communications			

Order Summary [Print](#)

Order Summary

Download Report

File #: 159158

Report: 1004

Address: 2844 Circle Dr
Concord, CA 94518

Borrower: Jane Borrower

Loan Number: 43432434

Date Submitted: 04/02/09

Inspection Date: no date set

Due Date: no date set

Total Cost: no fee set

9. The Order Communications screen will allow you communicate with the Lender, AMC or Borrower and add any additional documents to the file.

My Orders	New Request	My Profile	Log Out
Address: 2844 Circle Dr Concord, CA 94518	Loan #: 43432434	Fee: no fee set	Date Due: no date set
Status: Order Requested			
Summary	Details	Contacts	Documents
Communications			

Order Communications [Print](#)

Communications

Add Comment:

Directed at: Lender
 Appraisal Management Company
 Borrower

Attachment: [Browse...](#)

High Priority Flag:

Posted By	Comment	Date
No comments for this order		