

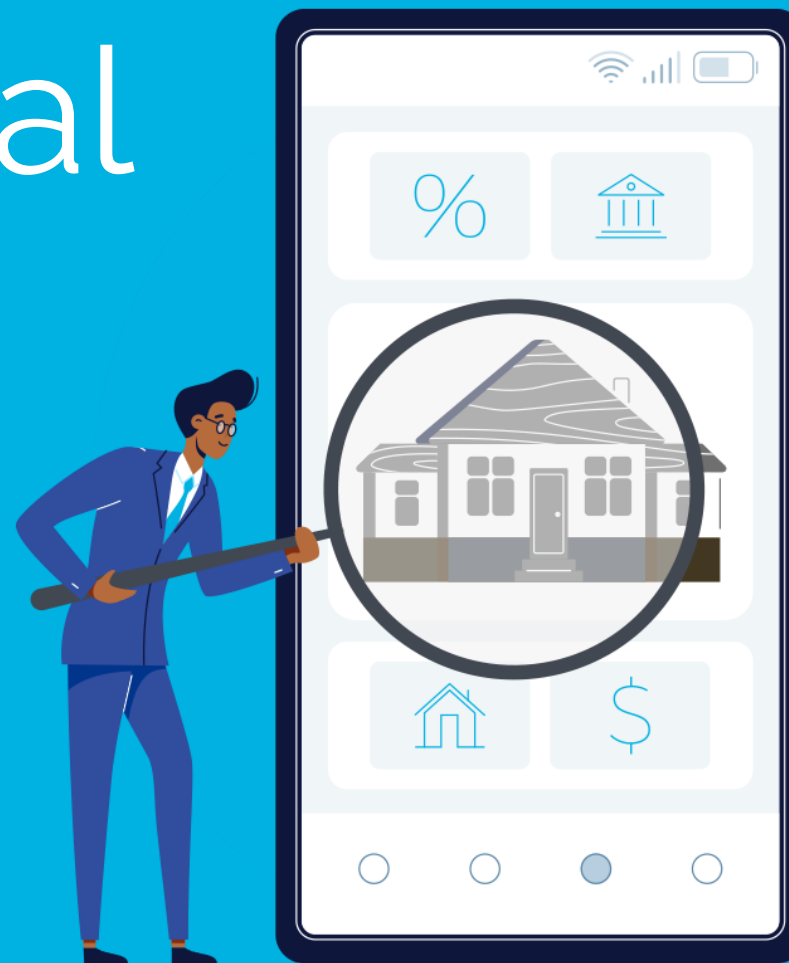


VALUATION
ANALYTICS

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5 Benefits of Digitizing Appraisal Management

And how to execute an innovative appraisal
management strategy.



Appraisal Management Strategies Have Shifted...

Home valuation has a bad reputation as one of the least predictable and poorly automated parts of the loan process. Manual processes and outdated technologies add unnecessary administrative overhead and result in miscommunication, compliance oversights and significant drain of time, money and resources. Tech-savvy lenders are turning to appraisal management technology to streamline and automate the full lifecycle of an appraisal order. By shifting their approach to appraisal management from an administrative function to a technology-driven strategy, they are realizing significant benefits. Appraisal management technology allows lenders to order, review, manage, maintain and analyze real estate appraisals and collateral valuations in one system – with seamless integrations with loan origination systems (LOS) and no IT overhead. Making the appraisal process not only more efficient, but a competitive advantage. This eBook explains the challenges, benefits and technology that can help you execute an innovative appraisal management strategy.

The mortgage industry has gone digital and appraisal management is no exception.

78%

Large banks and lenders say streamlined, automated processes at scale will transform and disrupt the industry.¹

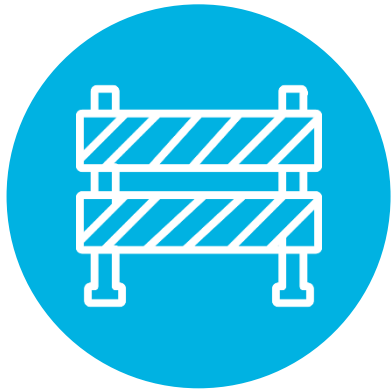
74%

Say industry will consolidate, with large, nimble, tech-savvy platforms outperforming less comprehensively digitized lending models.¹

30%

By 2023 all key front- and back-office elements of mortgages – including origination, documentation and closing – will become digitally integrated and enabled. 60% say that this will happen by 2025.¹

Yet, there are significant challenges holding businesses back...



Regulatory Hurdles

64% say compliance and related challenges represent a significant (37%) or very significant (27%) challenge.¹



Resistance to Change

60% of executives say workforce or process inertia are significant (36%) or very significant (24%) roadblocks.¹



Organizational Silos

58% say internal silos and 56% say external silos create a lack of communication and coordination.¹

Which is why it's important to communicate benefits upfront.

It is vital to communicate the value appraisal management technology will bring to your organization. **New, optimized appraisal processes** will eliminate time spent on manual data entry, ensure continuous compliance and serve as a hub for internal and external collaboration and system alignment – allowing staff to focus on high-value, strategic projects.

Before you get started, be upfront about the five benefits outlined in this eBook so you can get your team onboard with change – rather than fighting internal battles along the way.

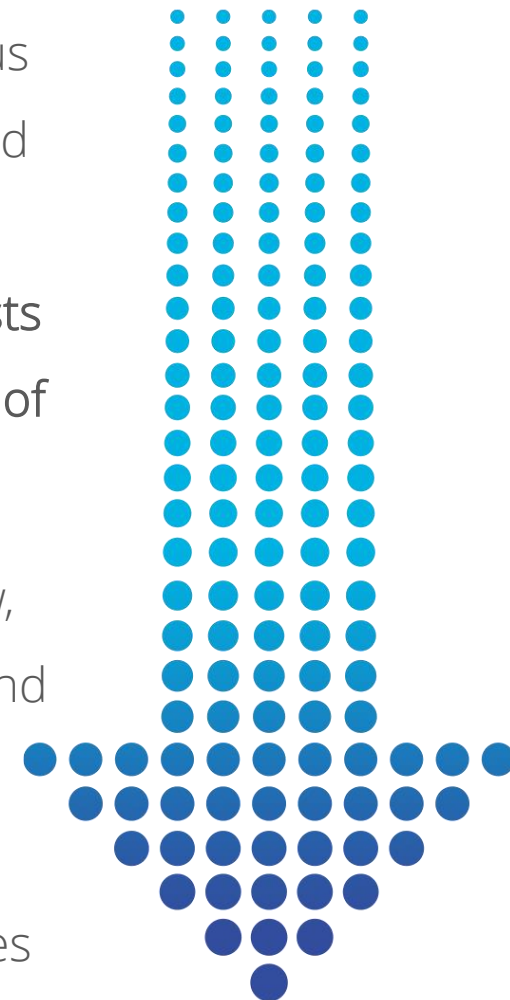


1

Benefit 1: Lower time and cost

When lenders are relying on multiple spreadsheets, AMCs, emails and various other forms of documentation to track appraisal order status, they are limited in their ability to work quickly and efficiently. By digitizing the mortgage process, 82% of executives believe they can significantly reduce initiation costs by 10% or more, 46% expect savings of 26% or more and 9% expect savings of 51% or more.¹

Appraisal management technology streamlines the entire appraisal workflow, enables management of all vendors, orders and valuations in one location and connects with an LOS to deliver faster turn-times. Rather than spending a significant amount of time reconciling a single order, staff can increase the number of appraisals they manage – resulting in more business opportunities for your organization.



2

Benefit 2: Maintain compliance and avoid costly oversights

In a survey conducted by Freddie Mac, 79% of respondents believe digitization will lower origination costs, instill stronger compliance and reduce risk.¹ Appraisal management technology gives you the ability to create configurable checklists to help you spend less time managing orders and more time closing loans. Compliance becomes a self-managing, automated process that keeps up with government requirements and automates enforcement of business rules you establish. The technology maintains appraiser licensing, E&O insurance and appraiser scoring in a central location – so you're never left scrambling to dig up information. On top of this, you can establish real-time compliance checks on appraisals, which reduces revision rates and grants you real-time access to appraisal history to ensure you're always ready for an audit.



3

Benefit 3: Better, more informed decision making

When you rely on manual data entry and leverage multiple systems and disjointed communication channels, you're prone to human error and your appraisal data is constantly called into question. It's difficult for leaders to trust they are making the most informed decisions. Of a group of banks surveyed, **78% say of digital processes and advanced analytical tools will lead to improved decision making and security and better outcomes for borrowers; this figure reaches 94% among leaders and 88% among CEOs.**¹ Appraisal management collaboration enables lenders, processors, appraisers and borrowers to work together to deliver accurate, timely and compliant property valuations. You can trust the data at hand – rather than relying on your own intuition – because you have the full view of your appraisal orders. Real-time communication and visibility ensure everyone is informed and aware of when action is required – resulting in a deeper level of trust and better decision making at every step.



4

Benefit 4: Expand market share and develop new product offerings

Tech-savvy lenders know an appraisal management strategy backed by technology drives competitive advantage – **44% believe digitization efforts**

will lead to expanded market share and 47% believe new product offerings can be achieved.² Not only can you accelerate response time and reduce the

lifecycle of an order, but you can enter new markets and develop new product offerings otherwise unachievable when bogged down by manual, time-consuming administrative tasks. On-demand access to a nationwide appraiser network, coupled with mobile property data collection, empowers lenders to offer competitive property valuations in markets they scarcely or rarely support. As housing market dynamics shift, you are better equipped to navigate buyer trends and enter new geographies with ease. Configurable business rules and compliance safeguards allow you to hit the ground running in new markets.



5

Benefit 5: Improve consumer experience and gain new clients

Consumer retention and satisfaction continuously rank among the highest priorities for business leaders. Consumers are facing a major financial decision when they decide to purchase, refinance or take out a home equity line of credit on a home and **63% of lenders expect the digitization of the mortgage process will lead to an improved customer**

experience.² The mortgage process can be stressful for most buyers. Lenders who understand the power of leveraging appraisal management technology to facilitate collaboration and transparency report happier, more confident buyers. The right technology platform enables borrowers, lenders and appraisers to communicate in real time about an appraisal order, upload and share important valuation data and view order updates along the way. The borrower experience is unmatched and leads to satisfied customers who will recommend your lending business to family and friends.



Are you ready to harness the power of appraisal management technology?

The days of leveraging multiple technologies, AMC websites and spreadsheets to manage your appraisals are numbered. **54% of lending firms have turned to technology vendors for improved process technologies... and another 38% will do so in the near future.**¹ If your strategic business objectives include lowering costs, improving process efficiencies, better managing compliance, enabling smarter decisions, expanding to new markets and delivering best-in-class customer service – it's time to begin evaluating appraisal management technology vendors.

Eliminate the costly overhead of your appraisal management function and turn the home valuations process from a resource drain to a competitive advantage. Are you ready to make a change? **Contact AppraisalWorks today at hello@appraisalworks.com or 1-216-487-6800.**



About AppraisalWorks

AppraisalWorks is a cloud-based appraisal management technology platform that enables banks, credit unions, loan servicers, mortgage lenders and AMCs to order, manage, maintain and analyze real estate appraisals and collateral valuations. Through its Community and Enterprise versions, AppraisalWorks improves process efficiency, ensures regulatory compliance and facilitates collaboration among lenders, borrowers, processors, appraisers and the quality control team – significantly improving loan turnaround time, reducing cost per loan and enhancing the borrower experience. AppraisalWorks is patented under U.S. Patent 10,635,999. Visit [appraisalworks.com](https://www.appraisalworks.com) to transform your appraisal management function from costly overhead to a competitive advantage.

References

1. "Digital Mortgages: How Leaders Are Harnessing Tech To Streamline Processes, Cut Costs And Improve Customer Experience," Forbes Insights. 2020
2. "The Acceleration of Mortgage Digitization," Forbes Insights. 2020