

AUTOMATED VALUE ASSURANCE

Automated assurance on the appraised value and quality of the supporting report

RPS' data-driven Automated Value Assurance (AVA) validates the accuracy of the appraised value and its supporting appraisal report for financial institutions, like lenders, servicers or mortgage insurers. Using industry leading big data software, which allows RPS to intelligently apply 120 complex rules to over 500 appraisal report fields, we help answer one challenging yet critical question for the industry: Is the appraised value provided in the report accurate and well supported?

Why RPS?

Greater Efficiencies

Triage appraisal reports to focus reviews on those reports where inconsistencies or anomalies are found and where additional reviews are needed, minimize review cycles, and reduce the number of value appeals as well as second opinions.

- Innovative, industry-leading solution
- Objective, consistent and fully supported
- Effective and efficient

- **Better Decisioning:** Deliver meaningful information to review staff, to enable them to make better and more educated decisions when exception handling
- **Reduced Lending Risk:** Use an objective, comprehensive and better supported process for the validation and due diligence of the appraised value on your appraisal reports, consistently across all files¹
- **Empowered Staff:** Empower staff and executives with information for better supported and more informed discussions with consumers, regulators and other internal stakeholders questioning the accuracy of appraised values
- **Meet Regulatory Requirements:** Assists financial institutions in maintaining and implementing a framework for critically reviewing and effectively challenging the assumptions and methodologies underlying property appraisals, consistently and objectively²

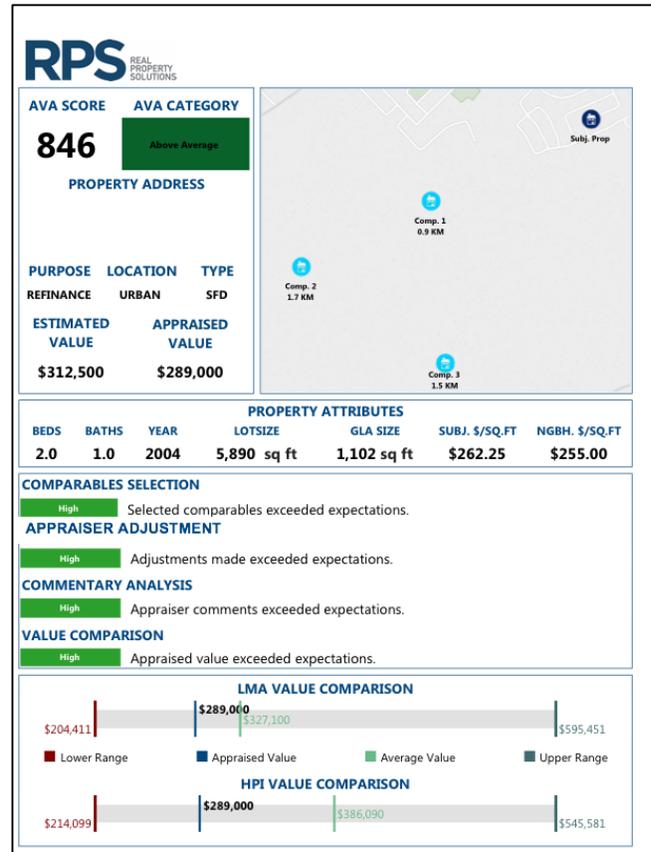
Our Flexible Approach

Big Data Analytics	Proprietary Score	Flags and Outliers
We apply 120 complex rules to 500+ appraisal report fields. This includes an analysis of the comparable selection, appraiser adjustments, appraiser commentary and the appraised value.	We generate a score out of 1,000 (the higher the number, the higher the accuracy), which acts as an easy and quick way to assess the accuracy of the appraised value.	Any outlier reports are flagged where further analysis may be required, along with the reason. The review can be done by RPS' experts and/or your staff.

The Report

The AVA report delivers all the critical information needed, as can be seen below:

- AVA Score:** The AVA score (which is out of 1,000, and the higher the number, the higher the accuracy) acts as an easy, quick and comprehensive way to assess the accuracy of the appraised value and quality
- Flags:** Flags are readily visible by section of analysis, including the reason and areas for further investigation
- Comparable Selection Analysis:** Our algorithm checks the comparables selected by the appraiser, to ensure quality (proximity, lower and higher in value than the subject property) and also compares them against other potential comparables within the RPS database to determine the suitability and fit
- Appraiser Adjustment Analysis:** Our algorithm analyzes line-item adjustments on each comparable property, or in the case of the cost-approach – replacement items, in relation to local neighbourhood averages and normal distribution bands
- Appraiser Commentary Analysis:** Our algorithm uses machine learning models to parse and analyze appraiser comments to identify outliers, and ensure that the commentary is aligned with other sections of the appraisal report
- Value Comparison Analysis:** Our algorithm uses our deep value analytics to compare the appraised value to an automated value estimate (based on machine learning and other sophisticated models), as well as local market averages and trending data



¹ The Automated Value Assurance can be applied to appraisal reports managed by RPS and those completed through other appraisal management companies.

² As per the Office of the Superintendent of Financial Institutions' (OSFI) July 2017 draft B20 guideline for *Residential Mortgage Underwriting Practices and Procedures*.