



RUA Compliance Information

HVCC section I,B, #5: requesting that an appraiser provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that an appraiser provide estimated values or comparable sales at any time prior to the appraiser's completion of an appraisal report;

HVCC section I,B, #9: ordering, obtaining, using, or paying for a second or subsequent appraisal or automated valuation model (AVM) in connection with a mortgage financing transaction unless: (i) there is a reasonable basis to believe that the initial appraisal was flawed or tainted and such basis is clearly and appropriately noted in the loan file, or (ii) unless such appraisal or automated valuation model is done pursuant to written, pre-established bona fide pre- or post-funding appraisal review or quality control process or underwriting guidelines, and so long as the lender adheres to a policy of selecting the most reliable appraisal, rather than the appraisal that states the highest value; or

AMC Links is not asking the appraiser to provide an estimated, predetermined or desired value prior to an appraisal report. The Restricted Use Appraisal (RUA) is a limited-scope appraisal assignment intended to comply with the USPAP Standards Rules 1 and 2-2(c). The comment to the USPAP Scope of Work Rule states in part:

Appraisers have broad flexibility and significant responsibility in determining the appropriate scope of work for an appraisal, appraisal review, and appraisal consulting assignment.

Credible assignment results require support by relevant evidence and logic. The credibility of assignment results is always measured in the context of the intended use.

The intended use of the RUA is not for loan origination/underwriting purposes. It is to determine the validity of a potential lending scenario. Lenders are not experts in property value – appraisers are. Therefore the narrow scope-of-work requested in the RUA appraisal assignment allows for credible assignment results in the context of the intended use. AMC Links is asking the appraiser to complete an independent, impartial and objective limited-scope appraisal and to report their analysis on the RUA form. AMC Links makes it clear to the appraiser and the lender that the professional opinions of value provided in a RUA assignment may differ significantly under a broader scope of work.

We value professional and ethical appraisers that recognize the ongoing changes in the valuation profession and understand that professional appraisers are not limited to providing only the traditional 1004 and 2055 residential assignments. Future business with AMC Links is never based on the outcome of this or any other appraisal assignment. In fact, there is no guarantee that the same appraiser who performed the RUA will perform any subsequent appraisal assignments. An RUA appraisal assignment can be either a stand-alone assignment or a staged assignment in which the first stage is to provide a range of value based on a narrow scope of work and the second stage is to perform a second appraisal with a scope of work that complies with secondary market guidelines.

The spirit behind this area of the HVCC is to prohibit "Value Shopping". This section references the lender adhering to a policy of selecting the most reliable appraisal, rather than the appraisal that states the highest value. AMC Links does not order multiple Restricted Use Appraisal (RUA) assignments and we NEVER attempt to influence the independent opinion of the professional appraiser. The RUA clearly defines the Intended Use and Intended User. The Intended User is not the funding lender, it is the loan originator. The Intended Use is not for lending/underwriting purposes, it is to determine the validity of a potential lending scenario. The RUA assignment provides credible assignment results expressed as a range of value under a narrow scope of work not intended to comply with lending/underwriting guidelines. We are also very clear that the results of all RUA assignments are completely independent and do not influence any other appraisal assignment completed by the same or any other appraiser.