

PROPERTY  
VALUE

# The State of the Market Property Appraisals

In the current market, low-interest rates are creating record high origination and appraisal volumes, placing significant pressure on the entire lending community, from originators grappling with tight timelines to the dwindling population of appraisers struggling to keep up with order volumes. What's more, as seasoned appraisers move closer to retirement, few new appraisers are entering the profession, exacerbating an already stressed appraisal order fulfillment process.

Compounding volume pressure and resource constraints, data from FNMA shows that monthly UCDP submissions are up 50% from just two years ago; and 25% from January of 2020. When considering these challenges in aggregate, it is more important than ever to work with a partner that will help you plan, prepare, and respond to market stresses.

## What to Expect

- Assignment timelines may be prolonged (targeting < 48 hours)
- Overages may increase, depending on assignment timelines
- Communication delays by the appraiser to their point of contact may result in weeks long delivery timeline projections
- Status updates from the appraiser may be less frequent as they were in the past
- Excess volume may cause appraisers to de-prioritize complex property types

## What Can Be Done

- Communicate realistic timelines and appraisal needs to Consolidated Analytics (or AMC)
- Provide as much information about the property/loan as possible as early as possible as this cuts down on revisions and reassignments
- Manage borrower expectations and contingencies to ensure sufficient time
- Provide greater flexibility for appraisal appointments. Since appraisers have limited inspection slots, flexibility helps

## What We Are Doing to Help

- Boosting staff to enhance appraiser communications and expedite information delivery back to the client
- Proactively locating backup appraisers in the event an appraiser "goes dark"
- Expanding appraiser panels for additional coverage
- Strengthening QC to minimize revisions and accelerate back-office timelines
- Hiring staff appraisers in key markets