

# Intelligent Quality Control

An appraisal quality solution built to reduce disputes, improve service level agreements and lead to more one-touch appraisals.



52 Howard St, Dartmouth, MA 02747  
 Platform Ref: 48320000016 Report Date: 06/16/2016 Business License Number: 960217 From the Order Page Client Code: 090216

**PROTECK**  
VALUATION SERVICES

Scoring | Checklist | Approval | Compare

RealView Score **899** Scoring Guide

Overall	899	Poor	Fair	Good	Excellent
Compliance	900	Poor	Fair	Good	Excellent
Credibility	899	Poor	Fair	Good	Excellent
Complexity	899	Very Complex	Complex	Midly Complex	Non-Complex

0 200 400 600 800 1000

C23999 One or more required fields may contain inconsistent data or may not have been completed. Please refer to the Report Card for details.  
 I07170 The subject's effective age (103) is indicated to be substantially lower than the actual age (55).  
 IAC299 One or more UAD findings are anticipated to trigger. Please refer to the UCCP section for details.  
 SC4158 Subject (SLA (1.202) is not tracked (1.003 - 1.214) by closed sales.

RealView Score Comments (0) To comment on a finding above, click the pencil icon next to it.



## Summary

In the spring of 2016, Pro Teck Valuation Services introduced Intelligent Quality Control (IQC), an appraisal quality solution built to reduce disputes, improve service level agreements, and lead to more one-touch appraisals.

Unlike other QC systems that identify risk and other issues after the appraisal is submitted by the appraiser, IQC gives appraisers the necessary information needed to correct issues with the appraisal before it is delivered.

## The Need for Intelligent Quality Control

According to Pro Teck CEO Tom O’Grady, the industry faced two challenges that necessitated a solution such as IQC.

One of the challenges the lending industry is facing is heightened competition for borrowers. “Pull-through rates of mortgage applications in this competitive market are critical to lenders. Often an appraisal will come through with issues that the underwriter finds, leading them to go back to the AMC, then the AMC back to the appraiser, and that’s critical lost time,” O’Grady said. “That negatively impacts pull-through rates, rate locks and the borrower when they’re trying to compete in this marketplace.”

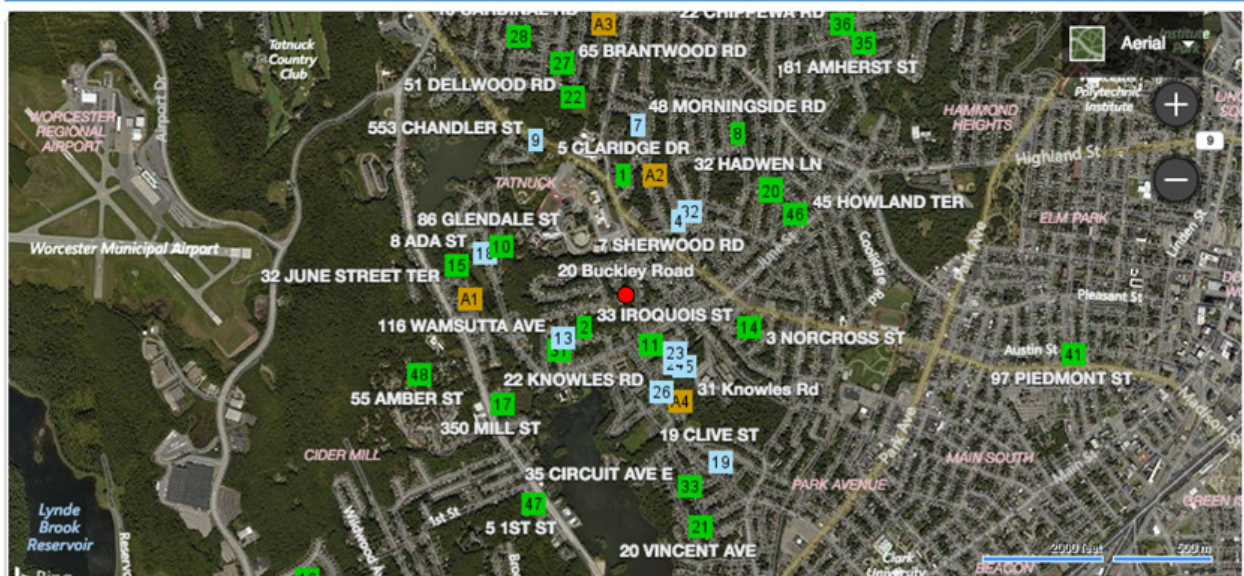
“The other challenge lenders face is that investors buying the loan are much more sophisticated,” O’Grady said. “Tools like Collateral Underwriter by Fannie Mae would be an example. Private investors are also running similar analytics and finding issues or questions with appraisals, causing the appraisal to be pushed back post-closing, and that creates a potential liability or loss for the lender if they have to buy the loan back and sell it in the secondary market at a discount.”



### 20 Buckley Road, Worcester, MA 01602

Platinum Ref: 526353347051 Report Date: 10/21/2016 Borrower: Demo Report  
File Name: TEST Form File: Demo

#### Platinum Comparables



In creating IQC, Pro Teck's mission was to:

- Deliver exactly what lenders, underwriters and investors were looking for – a well-supported appraisal that doesn't have to go back to the appraiser for changes and explanations.
- Produce a product and audit trail that would satisfy all underwriter, investor and regulatory requirements.
- Provide the appraiser with the data, analytics and rule sets pre-delivery of the appraisal so they could address all exceptions and questions that might come up later in the lifecycle of the appraisal, enabling the appraiser to address them all up front.

“When we send an appraisal to a lender, we can also deliver an Intelligent QC Summary Report so they see explanations of any data discrepancies, comp selection or guideline exceptions. When their automated or manual review process identifies a possible issue we've already addressed it head on,” said O'Grady. “We're really just taking the churn out of the process. We're delivering an appraisal once instead of cycling it between the appraiser, the AMC, the investor, and back and forth.”

### **How Intelligent Quality Control was Built**

Pro Teck's proprietary IQC Platform was built from the ground up to eliminate wasteful communication between all parties in the appraisal cycle. IQC's automated pre-submission check reviews more than 2,500 business rules and USPAP guidelines, and validates more than 1,300 specific data points.

The key element is having the technology be appraiser facing, giving the appraiser real-time feedback when submitting their appraisal. IQC provides workflow and audit tools, allowing the appraiser to either modify their report or submit with exceptions, and captures the appraiser's explanation as to why an exception to a rule was taken.

### **How Intelligent Quality Control Works**

With the IQC solution, the appraiser facing workflow is imbedded into Pro Teck's proprietary IQC Appraisal Platform, which gives appraisers the insights they need to address any issues in the appraisal prior to its submission—including hard stops and ensuring that any exceptions or issues identified are explained in the appraiser's commentary.

We all know that lack of commentary supporting an exception often leads to a report coming back to the appraiser post-delivery. The IQC Platform clearly communicates deficiencies in the report and/or the need for additional commentary up front, removing the need to come back for clarification later.

Pro Teck's review staff uses the same workflow, creating a paper trail of issues and resolutions on the appraisal file that can be provided for audit or regulator/investor inquiries. IQC allows the reviewer to communicate with the appraiser through the Platform, captures review staff commentary and approval of all exceptions, and provides numerical scores for appraisal quality and complexity after analyzing the appraisal against industry guidelines and customized appraisal rule review sets.

“We’ve made the tool appraiser facing and took advantage of some unique functionality and analytics, like ranking the appraiser comps against all competing market sales and listings as well as identifying discrepancies between what is being submitted and prior appraisals or public records on the same property,” O’Grady added.

<b>QC Summary Report Options:</b>	<b>Option 1 Commentary</b>	<b>Option 2 MLS Data</b>
Cross references subject property and comparables against prior appraisals for inconsistencies	✓	✓
Captures appraiser explanation to all exceptions	✓	✓
Lists reviewer commentary and approvals	✓	✓
Ranks appraiser comps against competing market sales and listings, plots all on map		✓
Identifies discrepancies between appraisal subject and comp data with public records		✓
Delivered with RealView Quality Score and Complexity Score, assisting you in routing higher-risk appraisals to your most experienced review staff	Optional, depending on your need and processes	
Investment	Free	\$

### Intelligent Quality Control Deliverables


All the information gathered can be delivered with the appraisal. Pro Teck’s Intelligent QC Summary Report includes scores, flagged rules exceptions, and appraiser and review team commentary on why the exceptions were needed. With all the information at your fingertips, the need to gather more information from the appraiser or from Pro Teck will be reduced, leading to more “one-touch appraisals.”

“We are able to provide our clients with an Intelligent QC Summary Report, highlighting rule exceptions and flags with appraiser and reviewer explanation, eliminating the costly delays typical of underwriter appraisal disputes and investor pushbacks,” O’Grady said. “Being able to provide full transparency of the process is a great advantage for our clients and partners alike.”

Pro Teck’s Intelligent Quality Control delivers:

- Industry standard field validation and guideline rule check
- Integration of client specific underwriting rules and tolerances
- Prompts appraiser to address:
  - Discrepancies with public record data and prior appraisals
  - Market sales that score higher than comps used
- Captures appraiser explanation to all exceptions
- Comprehensive audit trail documenting appraiser and Pro Teck reviewer commentary and approval of exceptions
- An Intelligent QC Summary Report delivered with the appraisal, providing:
  - Quality and Complexity scores, assisting you in routing higher-risk appraisals to your most experienced review staff
  - Documented reasoning to exceptions often identified through tools like Collateral Underwriter
  - The information you need to answer last minute questions that would typically cause delays



 [Click Here to see a Summary Report & schedule a demo of Intelligent Quality Control](#)

## Intelligent Quality Control Results

Pro Teck delivers the cleanest appraisal possible, with additional data to support your QC efforts. Intelligent Quality Control has had a dramatic impact on our success metrics, including:

Client Dispute Rates:

- Clients have shown dispute rate improvement of over 40%
- Beta client had a 42.08% reduction
- This fluctuates client-to-client, but we have seen significant improvements with all clients
- Overall dispute rate is -10% (client experiences vary depending on use, client, footprint, time in IQC, etc.)

Vendor Dispute Rates:

- 79 percent of our Network Appraisers have experienced a reduction in disputes from Pro Teck's internal review teams and lender underwriting teams