

AMC WEEK

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Joni Pilgrim Brings Big Data To Appraisal Management



**Optimal appraiser
selection**

**Use data to make
decisions - Predictive
Analysis**

**AQPM Score-the new
industry standard**

Using real time data and analytics to select the right appraiser at a zip code, loan type and property level

Using real market data to set benchmarks for milestones makes it easy to identify trends early on and take action

Track quality, performance, reliability, CU scores and performance cost



NAN'S AQPM TRANSFORMS APPRAISER SELECTION AT THE MARKET, LOAN AND PROPERTY TYPE

AppraisalQPM, a cloud-based business intelligence (BI) reporting and analytics platform, provides lenders with a level of control and insight into the performance of their AMCs and appraisers that generates dramatic efficiency gains. AppraisalQPM was developed by mortgage industry veteran Jim Cutillo. He is the current CEO of Theoris Software and former founder and CEO of Stonegate Mortgage.

We can all agree that having the right data can positively impact a business's performance. That goes for lenders and AMCs as well. Data and analytics on performance and quality of AMCs and appraisers has never been collected, analyzed or published in a way that allows for transparency in this space--which makes it almost impossible to compare and identify the best AMCs and appraisers.

Gradually, after years of meeting with lenders to discuss client satisfaction with NAN's work, **Joni Pilgrim**, Chief Business Development Officer for **NAN**, realized that lenders could speak only anecdotally about AMC and appraiser quality and performance.

Data might fuel business decisions, but lenders couldn't collect it, much less use it to compare and identify the best AMCs and appraisers. Lenders were evaluating AMCs without the performance and quality data they needed to make informed decisions.

Lenders would replace one AMC for another, but they had no way to know if the new AMC would perform better than the one it had replaced. AMC Week asked

Pilgrim about the benefits of AQPM on NAN's business, and this is what she had to say.

Q: Why did you decide that it was time for Big Data in the appraisal business?

Pilgrim: We have always known that appraiser selection is the most important job we had to do as an AMC, and we struggled to find the tools to help us with doing it right. Appraiser selection before AQPM was much different.

We looked to see if the appraiser was geographically competent, that their license and E&O insurance was up to date, that they were eligible for the assignment and available to take it on. If it was complex or unique we did some further vetting for experience and expertise but it was all order by order.

There was no real data tracking. Now that process looks much different. We are actually looking at data points that can impact the consumer. Appraiser performance, quality history, reliability, CU scores and so much more. We knew

that if we didn't have the data, then our clients certainly didn't have the data. This became apparent during our monthly performance calls with our lender clients, who would ask us to send them spreadsheets of data over and discuss those spreadsheets on a call.

This is how most AMCs report performance to lender clients they work with. Again, a big hole in the industry. We spent hours upon hours every month running reports, creating pivot tables, delivering the reports, scheduling and hosting calls to discuss and explain the data to the client.

We thought, how do lenders do this with multiple AMCs? What are they doing with the data after the call? How are they using it to get better results and who has access to it to make those decisions?

Q: From a company standpoint, was the switch to AQPM difficult to achieve culturally?

Pilgrim: We had to learn to trust the data and determine key performance indicators that really made a difference for appraiser selection. It required a complete overhaul in operations. But once we finally implemented AQPM, we saw an immediate impact, such as improved turn times and quality.

We also noticed that we received significantly less complaints and our market share with our lender clients started to steadily increase even during a time where the market was decreasing overall.

Q: Has this impacted your market share?

Pilgrim: Because of the access

to big data and analytics and our ability to measure and improve, we have become more reliable, consistent and competitive. We are seeing improvements financially, operationally, everywhere. We have been able to strengthen our relationships with our appraisers and our clients. It has been very exciting to see AQPM in motion.

Q: Why is appraiser selection so important to the appraisal process?

Pilgrim: If you don't select the right appraiser upfront, there will be problems down the road. It's not just about geographic competency, either. If you're not measuring and tracking performance and quality, how do you know that you are choosing the right appraiser?





BIG DATA *PAYING* OFF

Q: From a lender's standpoint, why is AQPM important?

Pilgrim: Managing the quality and performance of third party vendors is a critical business activity that needs to be performed in order to reduce financial, operational, compliance and reputation risk. Data and analytics are needed to monitor the quality and performance of AMCs and their appraisers. The insight and controls are necessary to reduce lender risk while improving overall performance.

Q: What's the benefit to lenders, brokers and real estate agents of AQPM?

They can have better communication with borrowers about real turn times, so they can set expectations. We're not talking about "average" turn time data for an entire state here. We are talking about specific turn times for a particular zip code, loan type, and property type. That is powerful information that can be relied upon.