

**BULLETIN**  
**HVCC Policies and Procedures**  
**April 30, 2009**

In the last several years, significant changes have impacted our industry. FNMA and Freddie Mac have adopted a Home Value Code of Conduct (HVCC) that governs the way in which appraisals must be ordered for all residential real estate transactions, where the loans are sold to FNMA or Freddie Mac. In the past Brokers were allowed to order appraisals from their preferred appraisers. The HVCC code mandates that appraisal be ordered directly by the lender.

In order to comply with the new HVCC, 1<sup>st</sup> Advantage Mortgage will order appraisals when the loan is registered and the broker completes the appraisal request form. The online form will be populated with the pertinent information from the loan registration. The information will be editable and additional appraisal related information can be added. The 1<sup>st</sup> Advantage wholesale processor will forward the order to a National Appraisal Firm or Appraisal Management Company (AMC) for processing. We have negotiated service level agreements to insure appraisals are returned in a timely fashion. The Appraisal firm will contact the borrower to schedule the appointment and collect the payment directly from the borrower. A copy of the appraisal will be sent directly to the borrower and a copy of the appraisal will be posted in the document management section of the broker's online pipeline. Our wholesale processor will communicate with the broker when the appraisal is available and post status updates in Web Trac.

The HVCC policy only pertains to conventional loans at this time. For government loans, the broker has the option of ordering the appraisal through the 1<sup>st</sup> Advantage Mortgage system or from their preferred vendors instead. However, in order to minimize appraisal updates or stipulations from underwriting, we recommended the ordering of all appraisals through the 1AM appraisal ordering system.

**For questions, please contact your AE**



**1st Advantage Mortgage**  
A DRAPER AND KRAMER Company