

Published March, 2017

VALUATION ANALYTICS

FEES AND TURN TIMES

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VALUATION ANALYTICS

Fees and Turn Times



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INTRODUCTION

Inside, we've included trends and insights for valuation analytics observed on Mercury Network to help all stakeholders in the mortgage lending industry.

Appraisal fees and turn times are all critical components of market efficiency, not to mention borrower experience and compliance. These trends and insights can help you form a successful strategy for collateral valuation operations.

Feedback? Visit www.MercuryVMP.com/FeeAnalytics

INDEX

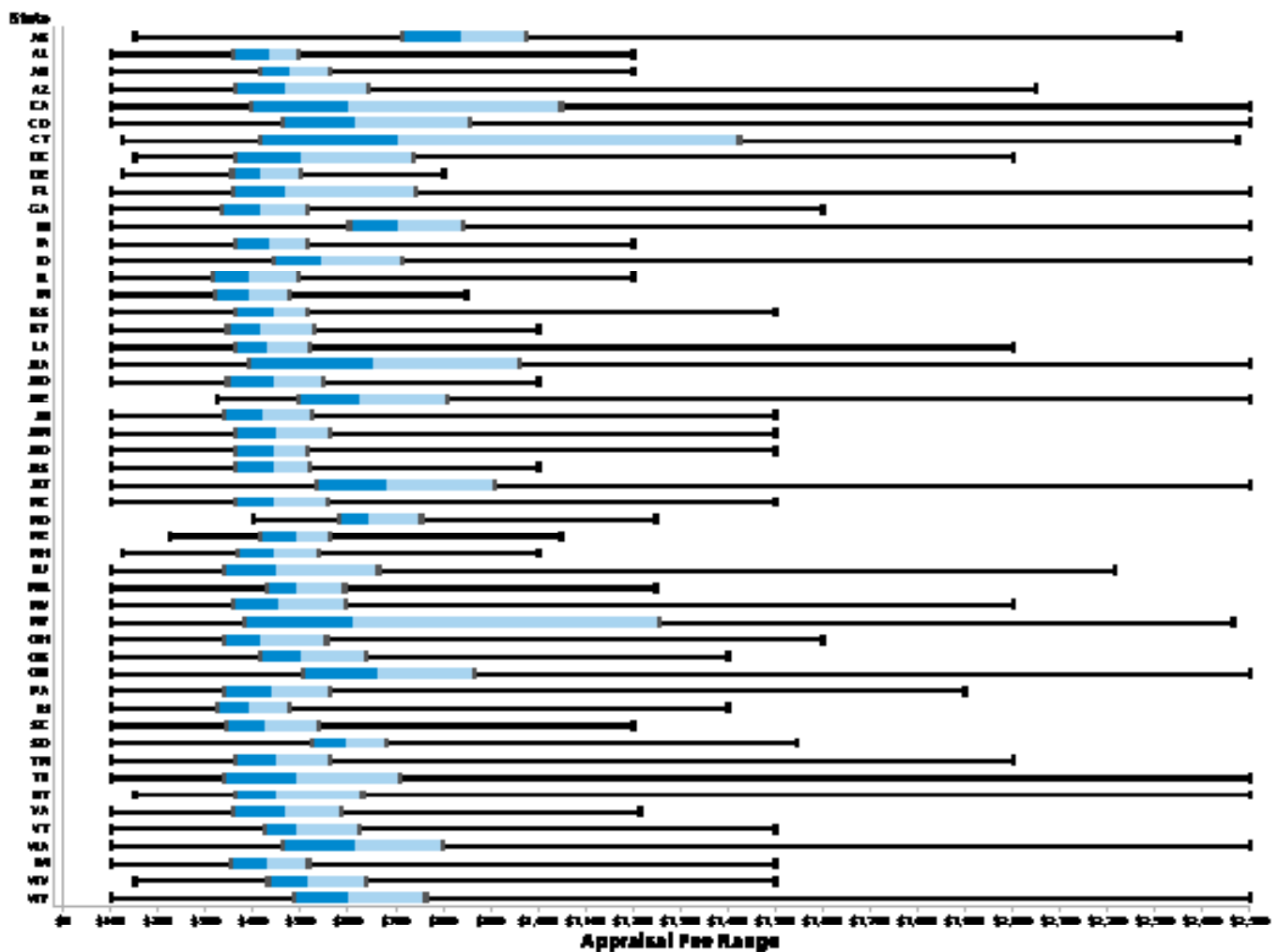
- 03** Range of appraisal fees by state
- 04** Average appraisal turn time by state by month in days
- 05** Average appraisal fee vs average turn time by state
- 06** Appraisal fee vs average turn time by top counties

RANGE OF APPRAISAL FEES BY STATE

Depicted below is the range of appraisal fees (1004's only) for each state. The blue bar for each state represents the range where the middle 50% of observations occur while the black bars indicate the range of fees. While the median fee by state does not vary dramatically, most notable is the upper range of fees for states such as AK, OR, TX, and WA.

Although fewer transactions occur at the upper end of the range, these are not isolated events as evidenced by the string of transactions which extend out from the median cluster.

These upper range transactions may be the result of seasonal market activity, subject uniqueness, or appraiser supply and demand.



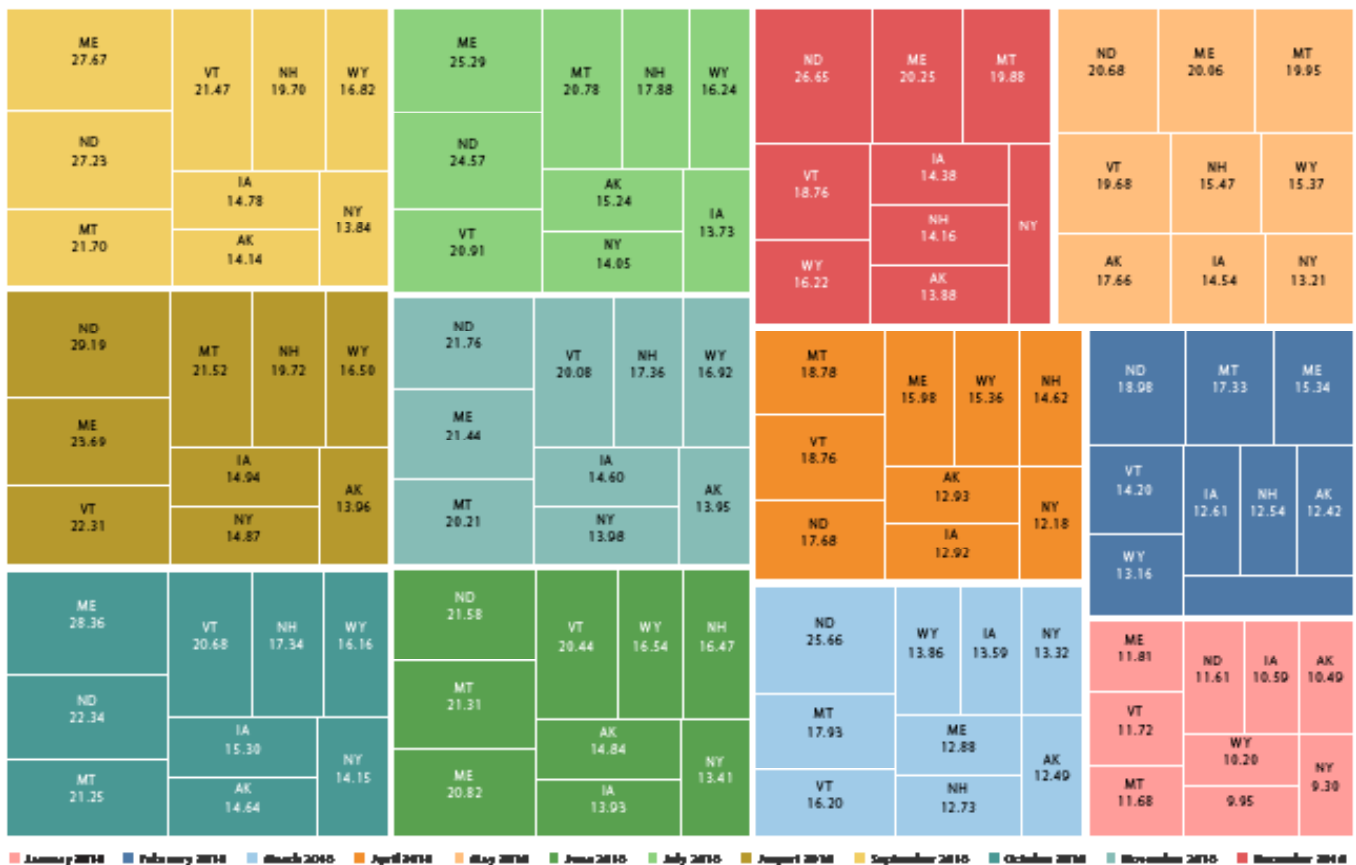
AVERAGE APPRAISAL TURN TIME BY STATE BY MONTH IN DAYS

This visualization highlights the range of average appraisal turn times by state for each month of 2016. Within each color identifying a particular month are the top states for the longest appraisal turn times.

As an example, in the upper left hand corner, in ME during the September, 2016, the average appraisal turn time for a full (1004) was 27.67 days.

Looking across this subset of the highest averages, turn times of 20-30 days is common.

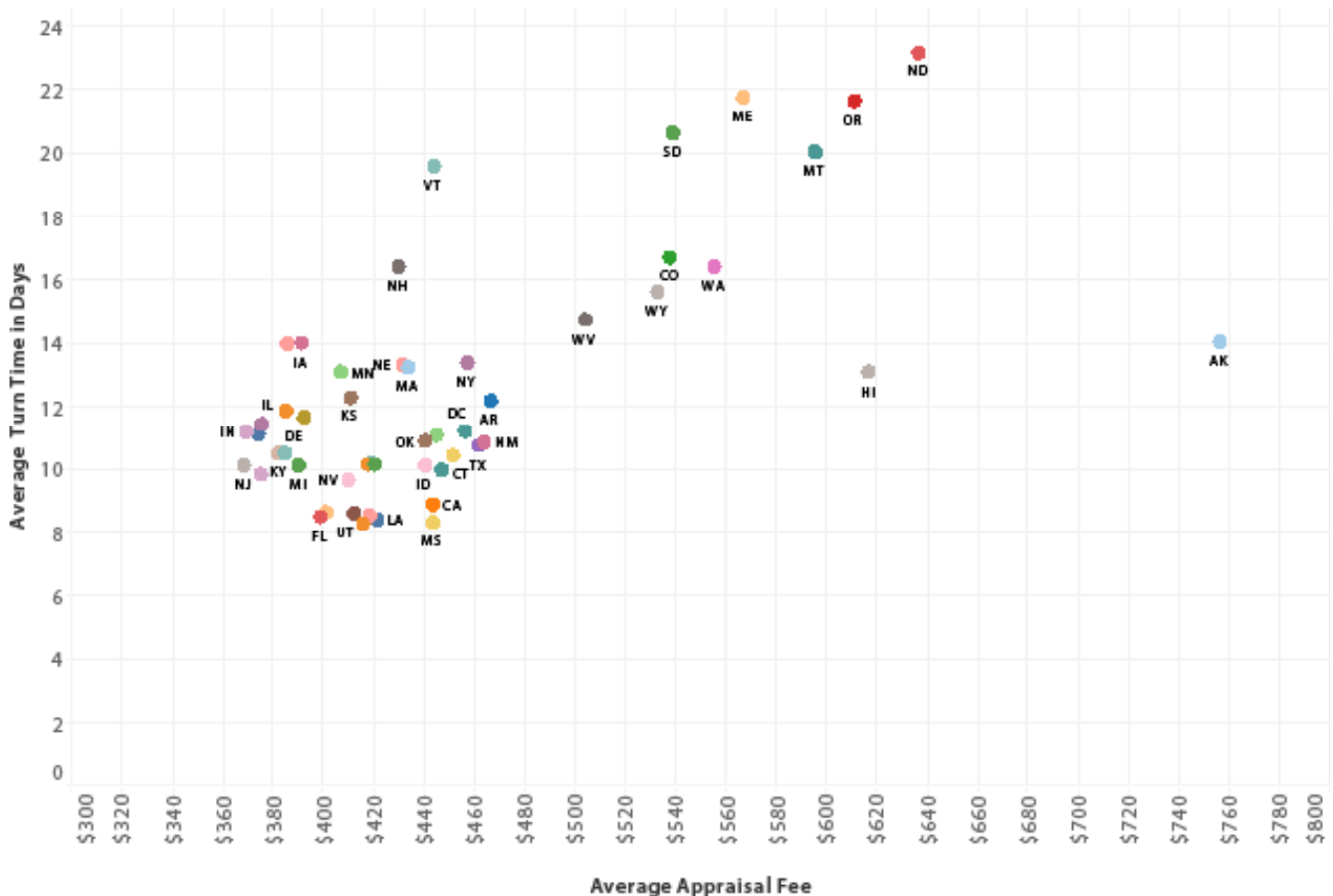
It is worth noting that some of the states with the highest average turn times are not among the states with the largest range of appraisal fees perhaps indicating a relationship between the fees paid and the speed with which the appraisal is completed.



AVERAGE APPRAISAL FEE VS AVERAGE TURN TIME BY STATE

This chart is a direct examination of the relationship alluded to in the previous chart's narrative regarding a possible relationship between average appraisal fee and average turn time. Outside of the cluster of states around \$400 average fee and 10 day average turn time, there are a number of states where both the average appraisal fee and the average turn time is greater than the norm.

Some of the "outlier" status is most likely due to the rural nature of certain areas of the state, the uniqueness of properties, and the relative shortage of appraisers. Aggregating data at the state level prohibits a better understanding of these dynamics at a local level. The following chart examines this relationship at the county level providing better insight into where the combination of higher fees and longer turn times is originating.



APPRAISAL FEE VS AVERAGE TURN TIME BY TOP COUNTIES

An examination of the counties with the greatest number of appraisal transactions for 2016 (this is from our processed orders, not industry-wide necessarily), shows that Arapahoe, Denver, El Paso, and Jefferson counties in CO had a combination of the highest average appraisal fees combined with the longest average turn times. Within these counties, it is less likely

that the rural nature of the subject was a driver or that the properties were largely unique as would be expected for a large ranch in ND or WY. Consequently, this may indicate a systemic issue with the supply and demand of appraisers. As with the state level review, the county data show a cluster of activity around an average fee of \$440 and an average turn time of 8-10 days.

