

THIRD-PARTY OVERSIGHT

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The SaaS Vendor Management Platform chosen by
over 600 of the nation's lenders and AMCs.

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[An introduction to third-party oversight](#)

What’s coming: Heightened vendor scrutiny

As a technology company, Mercury Network is developing software solutions for your compliance challenges, but we’re also keenly aware of the importance of third-party oversight, vendor compliance and their implications for lenders.

Since lenders are dealing with lower originations, TRID and other compliance burdens, many haven’t yet scrutinized their appraisal service providers. But as lenders make progress on streamlining operations, service providers know it’s their turn under the magnifying glass.

This white paper was compiled to help you with an understanding of the scrutiny that’s required, plus share some warning signs of unprepared vendors.

As with all compliance-driven changes, third-party oversight can be seen as a hassle — adding extra burdens to lenders and service providers. But really digging into vendors critical to your success is always good practice.

You will undoubtedly find that some of your valuation vendors present unacceptable risk, and lining up safer and better alternates has benefits beyond just ensuring your compliance.

With better vendors, you’ll find ways to be more efficient. You can reduce overhead costs, deliver better service to your borrowers, reduce delays and hassles, make loan originators more productive, and much more.

Compliance may be the trigger for your scrutiny and ultimately the reason you’re switching valuation vendors, but unreliable vendors are negatively impacting your bottom line. Like going to the dentist, vendor evaluation is painful, but better for you in the long run.

THE LATEST REQUIREMENTS

CFPB Bulletin 2012-03, April 13, 2012

Download the PDF:

http://files.consumerfinance.gov/f/201204_cfpb_bulletin_service-providers.pdf

Notable details:

- The lending institution is not absolved from responsibility of the third party's compliance
- Third parties are subject to same CFPB supervision as lending institution

OCC Bulletin 2013-29, October 30, 2013

Visit the website: <http://www.occ.gov/news-issuances/bulletins/2013/bulletin-2013-29.html>

Notable details:

- Mandates due diligence in selecting the third party
- Requires ongoing, consistent monitoring of activities and performance throughout the life cycle of the relationships
- Specifies responsibility for compliance with regulations, including provisions of the Gramm-Leach-Bliley Act for consumer privacy
- Outlines the documentation and reporting expectations

Fannie Mae's Appraiser Quality Monitoring program

Visit the website: <https://www.fanniemae.com/singlefamily/appraiser-quality-monitoring>

Notable details:

- Requires implementation of a pre-funding appraisal quality control process
- Outlines the expectations for the quality control process of the appraiser as a third party service provider
- Establishes resources for vendor selection, including lists of service providers from whom the GSE will review all files

RECOMMENDATIONS:

Third-party oversight in appraisal operations

Since over 600 lenders and AMCs use Mercury Network, we've already been through several third-party oversight audits and we can share some details that will give the industry a head start.

When it's time to really look at your appraisal service providers, how do you do it? What should you look for? What are the warning signs of unreliability, and how can you effectively monitor performance over time? As third-party oversight kicks into high gear, answers to all those questions will become more clear, but we've provided a list of recommendations and warning signs here.

- 1. **Consider a site visit.** As stated in the OCC Bulletin, if the relationship is critical to your operations, you must mitigate the impact that risk can have on your borrowers. We recommend a site visit for relationships as important as your appraisal management company (AMC) or vendor management software platform. Take a tour of the facilities, meet the technology experts charged with powering your collateral valuation pipeline, and investigate their preparedness and reliability first-hand.

Schedule a site visit:

To schedule a site visit with Mercury Network, just e-mail info@MercuryVMP.com. We host visitors all the time and welcome the opportunity to give you a tour of Mercury Network.

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- 2. **Check client lists, referrals and experience.** When you're choosing an AMC and a technology platform, look at their client base. Are they handling significant order volumes every day? Is it a proven solution that can handle your volume? Choose a tested partner that's endorsed by other industry leaders. Beware of empty promises and vaporware (software or services that don't really exist yet).

Get client references:

For a list of client references for Mercury Network, call 1-800-434-7260.

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RECOMMENDATIONS (cont'd.)

3. Get full audit trails on every transaction. All the compliance safeguards in the world are irrelevant if you can't prove it later. With any appraisal service provider, make sure you can get an end-to-end audit trail on the full transaction, automatically stored so you can retrieve it later if needed. You need to know when it was ordered, when it was assigned and completed and when the borrower was provided copies, with time and date stamps for every step. In the case of an audit, these verifications of your due diligence on every file will be invaluable.

Get full audit trails:

For a sample of an end-to-end audit trail on an appraisal file, visit www.MercuryVMP.com/AuditTrails.

4. With vendor management software, choose enterprise solutions over custom-built, one-off implementations. Many lenders use multiple AMCs and need a software platform to manage the pipeline across all channels. Beware of a fully customized solution and place higher priority on your own risk mitigation in this regulatory climate. While software developers may offer to build you a custom solution, you may be at a distinct disadvantage with that method for several reasons.

First, if you have a custom software build, you're not as likely to leverage the industry and compliance knowledge of your peers. Lenders and AMCs across the country are implementing intelligent quality and compliance safeguards every day, and without exposure to those enterprise-level platforms, it will be difficult to keep up with the latest innovations that help you with compliance and enhance your profit. Your appraisal operations unit isn't an area of your business where any lender can afford extra risk, especially considering the penalties and consequences of non-compliance. For this reason, it's always prudent to choose a solution that other industry leaders are also using.

Another disadvantage of a custom software build is that it's difficult to make changes or effectively scale your operations as your company grows. Development costs will always be unpredictable, and compliance deadlines will likely be difficult to manage without dedicated technology project managers on your staff.

RECOMMENDATIONS (cont'd.)

5. Avoid relying on a company to provide technology if that’s not its primary business. Several appraisal management companies have introduced vendor management platforms, but their primary business is full-service appraisal management and report review, not technology development.

Think about it this way: If you’re placing appraisal orders on your AMC’s corporate website, are you sure the AMC is protecting the non-public information of your borrowers? Is its website truly secure and compliant with Gramm-Leach-Bliley, PCI Payment Card Industry Data Security Standards, and the other privacy regulations?

This doesn’t mean you shouldn’t use those same AMCs for the high-quality appraisal reports you need. However, you should deploy a secure technology solution that integrates with their system, so you can rest assured your data is secure regardless of the AMC’s technological capabilities or vulnerabilities.

In accordance with the OCC’s requirement of being able to switch vendors easily, deploying your own technology platform allows you to quickly change vendors should the need arise, because your internal systems aren’t entangled with the vendors’ technology.

If you’re operating on a legitimate technology platform, you can also quickly add AMCs if your business expands or if your geographical coverage needs change. It’s faster and much easier for the new AMC to integrate with your platform, rather than forcing you to do third-party due diligence on every AMC you wish to use.

6. Don’t give up essential quality control in exchange for compliance. You don’t have to randomly round-robin your appraisal assignments for compliance. With the right technology, you can easily deploy your own platform to manage distribution of appraisal orders based on your own business requirements. Choose to distribute based on percentages, regional expertise or products offered by your vendors, rather than a blind assignment. As long as you have a documented, consistent process of order distribution, you can still get the highest-quality valuations from your preferred service providers.

A great example:

See page 17 for a real world example of the successful marriage of quality control and compliance. You *can* make your LOs happy.

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RECOMMENDATIONS (cont'd.)

7. Verify that your vendor's tools are compliant. Make sure your solution has automated tools to help you with compliance. Here are a few common pitfalls we've seen.

Additional resources:

Get our free white paper on the new ECOA Valuations Rule and learn how you can easily comply: mercuryvmp.com/ECOA

Get our free white paper on GLBA, with a full explanation of Mercury Network's solution: mercuryvmp.com/GLBA

For details on Mercury Network's PCI compliance, call 1-800-434-7260 or e-mail info@MercuryVMP.com.

Get our free industry collaborative white paper on best practices for appraisal quality control: mercuryvmp.com/QC

See a list of Mercury Network's LOS integrations: mercuryvmp.com/partners

- **The new Equal Credit Opportunity Act (ECOA) Valuations rule:** We've seen many lenders and AMCs skipping the critical step of Electronic Signatures in Global and National Commerce Act (E-SIGN) compliance where they must obtain acknowledgements from borrowers before electronic delivery of the report. Verify your solution is handling this in compliance with the new regulations.
- **Gramm-Leach-Bliley Act:** As specifically mentioned in the OCC Bulletin, the most common violation of the consumer-privacy safeguards in the Gramm-Leach-Bliley Act that we hear about in appraisal operations is the attachment of appraisal reports to unencrypted e-mail messages. In other words, if an AMC or service provider attaches your appraisal as a PDF or XML in a simple e-mail message, they could be in violation of GLB. The steep penalties for non-compliance with GLB are calculated on a per-occurrence basis, so this risk should be avoided by selecting service providers with built-in safeguards.
- **PCI compliance:** If your platform or AMC accepts a borrower's payment information, verify his or her PCI compliance. Is the borrower's payment information secure? We've seen popular platforms with serious security lapses when it comes to borrower credit card information.
- **Pre-funding appraisal quality assurance measures:** Make sure your AMC is conducting its own quality-control process before delivering the report to you. Also make sure your software platform has options for consistent appraisal quality-control across all your vendor channels. That way, if one of your AMC's processes differs from another AMC's (they will), you still have control with consistent pre-funding QC for all appraisals that come to you regardless of origin. The new Fannie Mae requirements are specific and fairly easy to meet with an integrated, enterprise-wide approach to appraisal QC.



8. Choose solutions that satisfy your production team, but still maintain compliance.

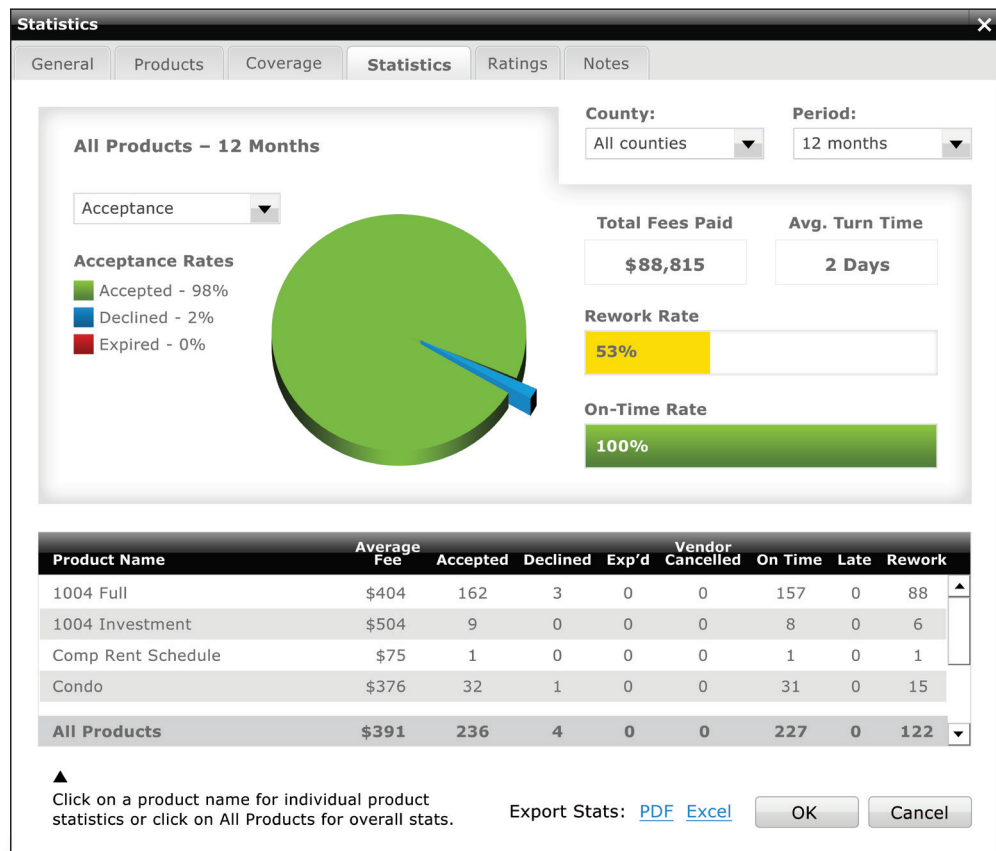
Some lenders have sacrificed loan officer access for compliance, but you can still maintain appraiser independence while giving your production staff the tools they need. For a real-world example, see page 12 of this document. You can give originators permission-based access to tools that make entering orders easy; give them instant status updates; and give them the ability to send messages and revision requests, edit borrower contacts and even place appraisal orders on hold or cancel them. Another key to loan officer happiness with appraisal operations is a tight integration with your originator's loan origination system (LOS) that will reduce errors and hassles from re-keying data, and lessen the work your production staff has to do to get the appraisal ordered.

RECOMMENDATIONS (cont'd.)

9. **Demand vendor-performance reporting.** Whether you use AMCs, individual appraisers or a combination of both, the third-party oversight requirements mandate that you have the ability to monitor and report on the performance of all your vendors.

When looking at platforms, this should be a priority — not only to satisfy regulators, but also to guide operations in vendor selection. You should have access to vendor-performance statistics such as quality, turn time and revision rates.

In Mercury Network, you can access statistics for all your vendors, including average turn time, rework rates, acceptance rates, and on-time rates. You can even drill down with per-product and per-county filters.



RECOMMENDATIONS (cont'd.)

10. Consider integrations and partner lists. Is your third-party provider integrated with your existing systems and other software companies in the industry? Even if you don't need an integration yet, readily available software integrations will enhance your operations, reduce delays and errors, and streamline your compliance. Integration partners also reveal a great deal about the provider's technological reliability and industry reputation. If integrations are publicly announced but don't yet exist, if they take too long to implement or they're generally lacking, you have warning signs that your provider may not be as agile and modern as you need it to be.

When you find technology that easily integrates with other software systems, it's a sign that the company is customer-driven and innovates according to its user base. In this industry, all of us need to use a variety of technology solutions and no one has a magic box that will solve all your challenges, so the ability to work well with others is critical to the success of your operations.

Integration partners:

Visit mercuryvmp.com/partners to see a list of Mercury Network's integration partners.

11. Check development methodologies and reliability. If you're using a smaller AMC or technology provider, they may not have the software development and deployment experience to ensure reliability and seamless implementation of new tools and compliance features. All software you use should be thoroughly tested by a quality assurance team, beta-tested by real-world users and rolled out in a deployment on a schedule that reduces hassles and downtime.

12. Ask for uptime statistics and disaster-recovery plans. Requests for this information come to us all the time, and all large service providers should be ready to answer questions about their availability, data redundancy, security and disaster-recovery plans. Even though third-party oversight initiatives aren't yet in full swing by the many lenders, every major provider has these stats available and should be able to provide service-level data that helps you comply with the OCC and CFPB requirements.

RECOMMENDATIONS (cont'd.)

13. Choose a partner with a history of innovation and user-focused updates. The one constant in this environment is change. Your service providers should have a history of successful and rapid innovation, as well as a solid reputation for releasing features and tools requested by their customers. If you've been waiting on new tools or features (especially related to your compliance) and the wait never seems to end, you should look at other providers with faster response times.

Frequent updates:

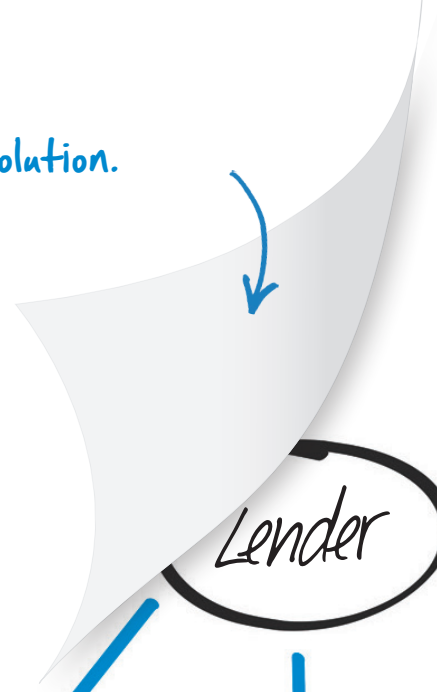
Visit www.mercuryvmp.com/updates for a list of updates made to Mercury Network to add customer-requested features.

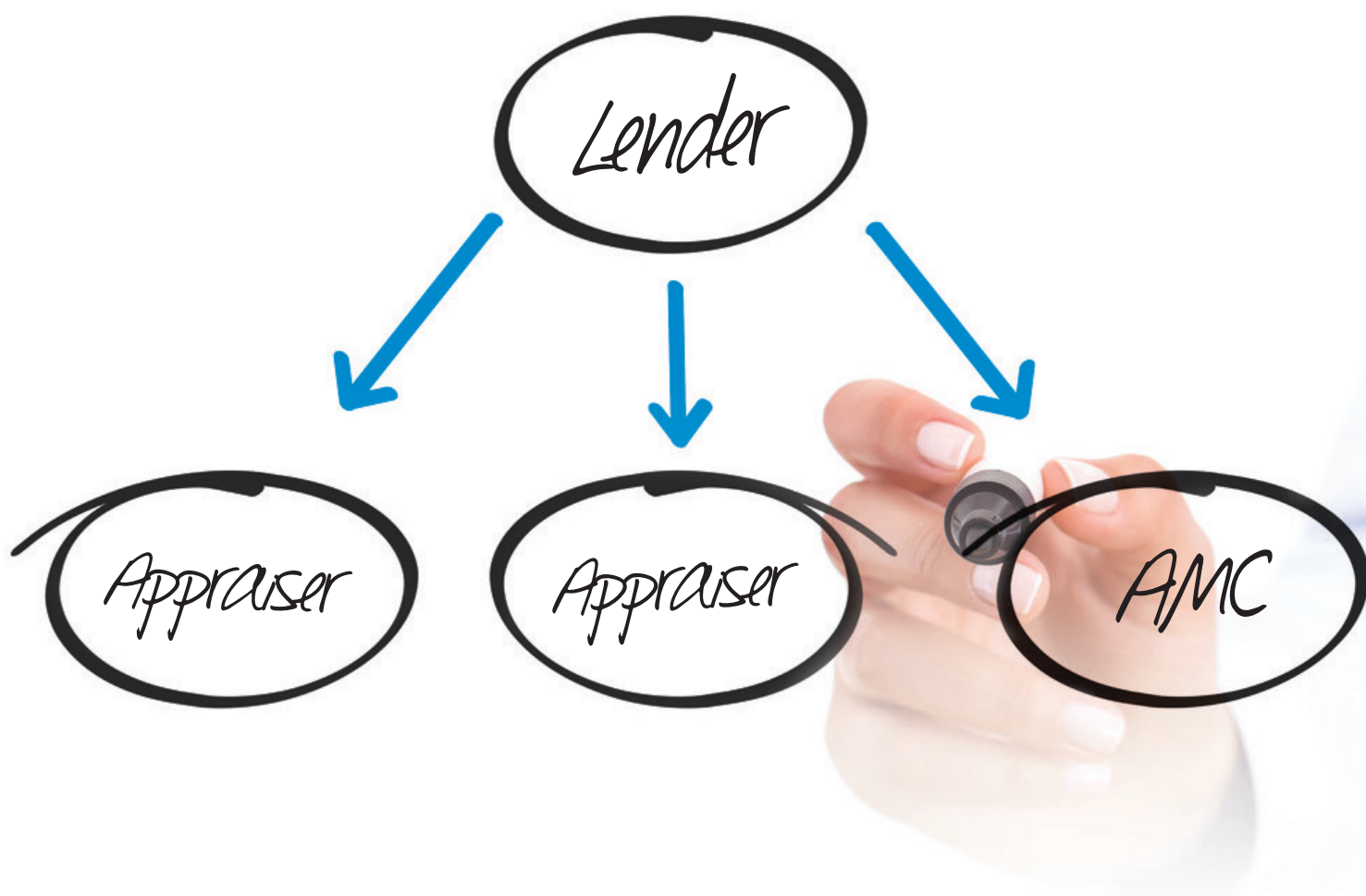
14. Get the support and service your team will need. If the relationship is critical to your operations, as most appraisal service providers are, it's important that you select a provider that can answer your questions, is accessible to you at any time, and provides you with the service you need to avoid delays and deliver superior service to your borrowers. In addition, consider the training offered to your staff. Any change in operations requires some training, especially if the changes are related to compliance. Choose service providers that can take on some of that burden for you, so implementation is as seamless as possible.

Here for you, always

We're here 7:00am to 7:00pm, Monday through Friday with team members on call during weekends and holidays. Give us a call anytime, day or night, even on a holiday, and you'll speak with an expertly trained team member in our Oklahoma City support center. If it's afterhours, don't worry our team member will call you back within 2 hours.

See EFV, our third-party oversight solution.





Mercury Network's EVF Tackle Third-Party Oversight

Mercury Network is already the leading software platform for vendor management, (over 600 lenders and AMCs) and now you can also use Mercury Network to manage your AMCs. Already, there are more than 130 AMCs to choose from, and we'll quickly add any you want regardless of the software they use, at no cost to you or the AMC.

It's called Enterprise Vendor Framework (EVF), and it has the tools you need for compliant third-party oversight, whether you engage appraisers directly, use AMCs, or a combination. You'll have transparent control of all vendors, a single platform for all channels, and compliance peace of mind. It's free for you to use, and ready for you now.

SOLUTION: EVF

Mercury Network's Enterprise Vendor Framework (EVF) implementation gives lenders transparent, efficient management control of third party service providers. The SaaS/PaaS platform automates and enforces your compliance requirements and workflow process across all third party vendors for consistency. EVF is a transaction-based platform, and lenders have the option to absorb platform transaction fees or pass fees to their AMCs.

With EVF, lenders have controlled, efficient AMC vendor management, plus all the compliance safeguards that are built in to Mercury Network. But compliance is just the beginning.

The benefits of EVF are outlined here, and the modern software architecture and the team behind it make customizations to suit your objectives truly limitless. Take a look at our best practice suggestions here, then contact your account representative to discuss a tailored solution that's right for you.

With EVF, you'll have a private-labeled valuation portal

Enable production staff across all channels to order appraisals in just two clicks, or we can integrate with your existing lending platform at no cost. Customize the appraisal order form so products are listed in terms familiar to your staff, add custom labeled fields, mark fields as required, enforce loan requirements, and much more. Give staff access with layered permissions and notification options, all the way down to the status level.

Professionally
branded portal

With Mercury Network's EVF implementation, your staff can access permission levels to see the full valuation pipeline across all production channels, and across all your vendors. You have centralized control, but can honor preferences down to the branch level.

Tracking #	Current Status	Due Date	Inspection Date	Borrower	Address	Lender	Originator	Acct. Exec.	Last Modified
716238-13698566	In Progress	03/07/2013	02/07/2013	JOSHUA WELCH	6601 20th Dr NE Marysville, WA 98	SIERRA PACIFIC MORTGAGE COMPANY, INC.	Corporate Retail NET		03/06/2013 04:37:39 PM
716238-13669644	Delayed	03/07/2013		GLENN SWEESY	1972 Garmish Ct South Lake Tahoe	SIERRA PACIFIC MORTGAGE COMPANY, INC.	Corporate Retail NET		03/05/2013 11:40:11 AM
716238-13506256	Delayed	02/11/2013		GARY DUCCINI	2156 Stacia Way Sacramento, CA 9	SIERRA PACIFIC MORTGAGE COMPANY, INC.	Corporate Retail NET		03/01/2013 01:09:16 PM
716238-13708193	Inspection Scheduled	03/12/2013	03/07/2013	SHAWNA SWIGER	300 Dnis Cottage Lincoln, CA 95648	SIERRA PACIFIC MORTGAGE COMPANY, INC.	Corporate Retail NET		03/07/2013 10:41:42 AM
716238-13687016	Inspection Complete	03/08/2013	03/06/2013	MICHAEL HALL	2156 Amherst Way El Dorado Hills, CA	SIERRA PACIFIC MORTGAGE COMPANY, INC.	Corporate Retail NET		03/07/2013 10:56:19 AM
716238-13634971	Inspection Scheduled	03/08/2013	03/15/2013	SEAN HARPER	1620 Boulder Ave Crescent City, CA	SIERRA PACIFIC MORTGAGE COMPANY, INC.	Corporate Retail NET		02/28/2013 11:56:30 AM
716238-13465013	Inspection Complete	03/08/2013	02/01/2013	GREG DURKIN	4201 Tracy St Los Angeles, CA 9	SIERRA PACIFIC MORTGAGE COMPANY, INC.	Orange County OC		03/06/2013 12:54:48 PM
716238-13653671	Inspection Scheduled	02/07/2013	03/08/2013	EDWINA RAINS	7314 Butterball W Sacramento, CA 9	SIERRA PACIFIC MORTGAGE COMPANY, INC.	Corporate Retail NET		03/05/2013 04:17:41 PM
716238-13675399	Inspection Complete	03/14/2013	03/04/2013	TRAVIS SMITH	5227 Windham Way Rocklin, CA 95765	SIERRA PACIFIC MORTGAGE COMPANY, INC.	Orange County OC		03/07/2013 11:23:16 AM
716238-13572206	On Hold	02/27/2013		ROBERT SOLOW	243 Bell Canyon F Bell Canyon, CA 9	SIERRA PACIFIC MORTGAGE COMPANY, INC.	Corporate Retail NET		03/05/2013 03:53:50 PM
716238-13572206	Inspection	02/27/2013	02/14/2013	ROBERT SOLOW	444 Country Club	SIERRA PACIFIC MORTGAGE COMPANY, INC.	Corporate Retail NET		02/20/2013 01:39:39 PM

SOLUTION: EVF (cont'd.)

There is no cost to the AMC or you to integrate. When an AMC is ready, we'll support the integration.

Choose from over 130 AMCs already integrated, or add any AMC you wish

Any AMC you wish to work with is fully supported, regardless of the internal software they use. Our published API makes integration fast and easy for any AMC, plus our experienced integrations team is here to help for fast deployment.

Currently integrated AMCs include:

- Acclaimed Management Group
- Accurate Appraisal Management (CA)
- Accurate Evaluation Services, Inc.
- Accusured Management, LLC
- ACT Appraisal, Inc.
- Advanced Valuations, AMC
- Advantage AMC
- Advantage Appraisal Management Company, LLC
- Alexander McCabe Appraisal Management Company/ @Home VMS
- Allegiant Appraisal Management Co.
- All-Pro AMC
- AMC Links, LLC
- AMC Settlement Services
- Apex Appraisal Service (CA)
- Apple Appraisal, Inc.
- Appraisal Depot Online
- Appraisal Links
- Appraisal Logistics, Inc.
- Appraisal Management Group, Inc.
- Appraisal Management of Utah
- Appraisal Management Resources
- Appraisal Management Specialists, LLC
- Appraisal Management Systems
- Appraisal Nation
- Appraisal Pro Solutions
- Appraisal Quick, LLC
- Appraisal Review Solutions (GOT Appraisals)
- Appraisals2u
- Appraisals Direct (AMG)
- Appraisal Shop
- AppraisalTek
- Appraisal Unlimited
- Appraisal Valet, Inc
- Appraiser Select, LLC
- Avisso Appraisal Management Company
- AXIS Appraisal Management Solutions
- BroadStreet Valuations
- Capitol Appraisal Management
- Class Appraisal
- Clear Capital
- Coester VMS/Appraisals
- Consolidated Analytics
- Core Valuation Management
- Credit Bureau of Connecticut
- CU Appraisal Services
- Eclipse Appraisal Management, LLC
- Effort Appraisal Group
- Equity Solutions USA Incorporated
- eValuationsDirect
- eValuation Zone, Inc.
- eValuePort
- First American Mortgage Services
- First American Title Insuran Company
- First Choice Northwest
- First Look Appraisals
- GOT Appraisals
- Harpley Appraisal Services
- Home Base Appraisal Management, LC
- Home Value Real Estate (AMC)
- HVCC Appraisal Ordering
- Janus AMC, LLC
- K&M Appraisal Management Company
- Land Gorilla
- Landmark Network, Inc.
- Lenders Choice AMC
- Lender's Valuation Services
- Lincoln Appraisal & Settlement Services, LLC
- Logical AMC
- LSI A Lender Processing Services Company
- LUCOS Appraisal Management Company, LLC
- Market Appraisals
- Members Appraisal Management
- Metro-West Appraisal Co LLC
- Mid-State Valuation Partners
- Momentum Appraisal Group
- MyAMC
- Nadlan Valuation
- NATIONAL REAL ESTATE INFORMATION SERVICES, Inc
- Nations Valuation Services, Inc. (NVS)
- Nationwide Appraisal Management Solution, Inc
- Nationwide Appraisal Network
- Nationwide Property & Appraisal Services, LLC
- Order Pro USA
- Pacific Appraisal
- PCA Appraisal Management, Inc.
- PCV MURCOR
- Pendo Management Group
- Platinum AMC
- Premier Sky
- Priority Appraisal USA
- Property Interlink, LLC
- Property Rate
- Property Sciences Group, Inc.
- Quality Mortgage Services LLC
- Quality Valuation Services
- Rapid Appraisal Management Service
- Real Estate Appraisal Professionals, the AMC (REAP)
- REAL ESTATE MORTGAGE NETWORK (REMN)
- Real Shield (AMC-AMSW)
- Real Valuation Services
- RELS Valuation
- Republic Appraisal Management Services
- Samco Appraisal Management Company
- Service1st Valuation and Settlement Services
- ServiceLink, FNF's National Lender Platform
- StarAMC
- Stewart Valuation Services
- Streetlinks (Lender-X) Solutions LLC
- Street Smart Valuations
- Sunshine Appraisal Management Services
- Terra-Val
- The Synergy Appraisal Services Family
- Timsko, Inc.
- Total Appraisal Management
- Triserv Appraisal Management Solutions
- TruDocs Mortgage Services
- United Appraisal Management/ Republic Mortgage Home Loans
- United Lender Services (ULS)
- United States Appraisals, LLC
- USA Appraisal Solutions
- US Real Estate Services
- Valligent
- Valocity, LLC
- ValuAppraisal
- Valuation Link
- Valuation Management, LLC
- Valuation Partners
- ValueSearch AMC
- Value Trend Solutions (VTS)
- Valutrust
- Vanguard Appraisal Mgmt.
- Washington State Appraisal Management
- Wilson Appraisal Services
- www.AnywhereAppraisals.com

SOLUTION: EVF (cont'd.)

Customize how orders are assigned

Deploy your own rules for order assignment to suit your compliance safeguards and QC standards. Distribute based on any combination of requirements, including percentage distribution, product, location or branch-specific distribution, and services provided by the AMC.

BRANCH	AMC 1	Distribution	AMC 2	Distribution	AMC 3	Distribution	AMC 4	Distribution
BOS	Quality Appraisal Management	80%	SW Appraisals	10%	AMC Solutions	10%		
SAC	Quality Appraisal Management	40%	SW Appraisals	20%	AMC Solutions	20%	Value Services	20%
PDX	AMC Associates	100%						
SJC	Service First Appraisals	30%	First Appraisals	30%	SW Appraisals	30%	AMC Solutions	10%
PHX	AMC Associates	100%						
DEN	Quality Appraisal Management	80%	AMC Solutions	20%				
ORD	Quality Appraisal Management	70%	SW Appraisals	30%				

With EVF, you can automatically and consistently route orders based on your preferences.

Keep LOs in the loop automatically

Staff can have layered permissions to order, see order status, and access all documents. Order documents and status notifications can be configured to your preferences so they flow to the AMC, staff, brokers, LOs, and any third parties you need in the loop. Integrate your lending platform on the back end so updates to the appraisal automatically flow into the loan file.

With EVF, you're in full control of your workflow. Staff can review reports before final delivery if you want, customize status notifications, send the report to borrowers in full compliance with the new ECOA Valuations Rule, and much more.

The screenshot displays the Mercury Network interface for an appraiser. The top navigation bar includes 'Corporate Retail NET', 'Mercury Network', and 'Lender's brand here'. Below this is a toolbar with 'Back', 'Send Message', 'Attach Documents', 'Other Actions', and 'Print'. The main content area is titled 'Appraisal Order Details' and includes the following information:

- Address:** 11507 Kings Gate Drive, Naples, FL 34109
- Borrower:** FRED STRAUB
- Appraised Value:** [Blank]
- Order Date:** 2/27/2013
- Due Date:** 3/11/2013
- Fee:** \$425
- Payment Type:** CC to Vendor
- Loan Number:** 872827
- File Number:** [Blank]
- FHA Case #:** [Blank]
- Other Ref #:** [Blank]
- Vendor Name:** Great AMC
- Assigned AE:** Appraisal Department (916) 932-0630, xsiteorder@alamode.com
- Lender:** Johnstone Mortgage
- Lender Address:** 2210 Vanderbilt Beach Road, Suite 1205, Naples, FL 34109
- Appraisal Date:** [Blank]
- Loan Type:** Conventional
- Loan Purpose:** Refinance
- Product:** 1004
- Disclosure Date:** [Blank]
- Neighborhood:** [Blank]
- Sale Price:** [Blank]
- Estimated Value:** [Blank]
- Prior Date:** [Blank]
- Prior Price:** [Blank]
- Property Type:** Detached
- Legal Description:** [Blank]
- County:** Clark
- Sq. Ft.:** [Blank]
- GSE Doc File ID:** [Blank]

On the right side, there is a map showing the location of the property. Below the map is a 'Documents' section with a table of document uploads:

Document Type	Date Uploaded
Completed Report (Current) *	03/06/2013
Report PDF	
MISMO XML	
FNM SSR	
FRE SSR	
AQI	
Order Documents	
Attached Invoice	03/03/2013

At the bottom right, there is a 'History (14)' section showing a list of events with timestamps and descriptions, such as 'Message by Corporate Retail', 'Appraisal Submitted to FNM', and 'Inspection Complete by Appraiser'.

SOLUTION: EVF (cont'd.)

PCI Compliant

Control fees, but don't hassle with appraisal payments

Our advanced fee determination rules let you dictate fees based on products ordered, zip codes, counties, loan amount, loan type, and much more. The payment can even be passed directly from the processor to the AMC, so you don't hassle with disbursing payments.

Easily integrates with your existing systems

Our open API makes customization to your current workflow fast and easy. Elements can be passed to the order form marked as "read only", the entire order can be entered via web service integration, we can implement custom data integrations back to your LOS, and much more. Mercury Network's integration partner roster has the all the industry leaders, and our team is ready to integrate with any provider you wish.

Open API

MercuryAPI

Click [here](#) for a complete list of operations.

PostAppraisalOrder
POSTs a vmp client Order to the specified vmp client account.

Test
To test the operation using the HTTP POST protocol, click the 'Invoke' button.

Parameter	Value
Username:	<input type="text"/>
Password:	<input type="text"/>
EntityID:	<input type="text"/>
XMLPost:	<input type="text"/>

SOAP 1.1
The following is a sample SOAP 1.1 request and response. The **placeholders** shown need to be replaced with actual values.

```

POST /mercuryapi.asmx HTTP/1.1
Host: mercurynetworkapi.com
Content-Type: text/xml; charset=utf-8
Content-Length: length
SOAPAction: "http://alamode.com/PostAppraisalOrder"

<?xml version="1.0" encoding="utf-8"?>
<soap:Envelope xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance" xmlns:xsd="http://www.w3.org/2001/XMLSchema" xmlns:soap="http://schemas.xmlsoap.org/soap/envelope/">
  <soap:Body>
    <PostAppraisalOrder xmlns="http://alamode.com/">
      <UserName>string</UserName>
      <Password>string</Password>
      <EntityID>int</EntityID>
      <XMLPost>string</XMLPost>
    </PostAppraisalOrder>
  </soap:Body>
  </soap:Envelope>

```

ADDITIONAL BENEFITS

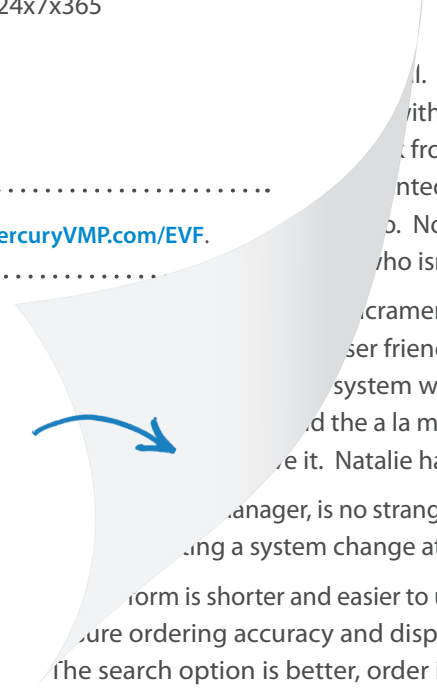
With EVF, you'll have all of Mercury Network's compliance tools

- **Custom implementation:**
Our team will help configure settings to suit your compliance safeguards
- **Full audit trails:**
Every order event in every transaction is logged and stored for proof of compliance with banking and security regulations
- **Vendor due diligence:**
Monitor the quality of service providers with performance stats in easily deliverable formats to comply with internal reporting guidelines
- **Permissions-based access:**
Each user has a login, and permissions define access to only the tools they need
- **Secure transmission of all private data:**
End-to-end encryption for ordering, receiving, and storing all documents
- **ECOA Valuations Rule compliance:**
Send reports to the borrower, automatically gathering required E-Sign Act acknowledgements
- **Built-in MDIA disclosure tracking**
- **Options for automated pre-funding QC checks** with our Appraisal Quality Management (AQM) tool
- **Many more integrated tools** to ensure appraiser independence, due diligence, and compliance with fully documented audit trails accessible 24x7x365

Additional resource:

For more information on EVF, call 1-800-434-7260 or visit www.MercuryVMP.com/EVF.

See what a customer has to say.



EVF CUSTOMER SPOTLIGHT:

Mercury Network: Making Life *Easier* for Our Customers

As seen in "Notes and DEEDS", 11/13



Natalie Dennis,
Collateral Risk Manager
Plaza Home Mortgage

Natalie Dennis is a get-things-done kinda gal. On her first day at Plaza just over a year ago, she jumped on the opportunity to help with Plaza's decision to change to our appraisal ordering system. She set out to get feedback from users and customers, and it was clear from the survey responses that everyone wanted a change. A few months later, she was piloting Mercury Network in Boston and Sacramento. Now Mercury Network has been rolled out in all of Plaza's offices, and it's hard to find anyone who isn't ecstatic about the change.

Dianne Watters, Operations Manager in Sacramento, says, "It's like night and day from our old system! Mercury Network is so simple and user friendly. Even our brokers are raving about it. Their biggest complaint about the old system was how time consuming it was and how hard to request changes. When we did the Mercury Network training with them, they said, 'This is it? It's so easy!' We all love, love, love it. Natalie has done a great job!"

Natalie, Plaza's Collateral Risk Manager, is no stranger to appraisal ordering systems. She was responsible for implementing a system change at her last company, Sun Trust Mortgage.

"The Mercury Network order form is shorter and easier to use," Natalie explains. "It provides product validation to ensure ordering accuracy and displays the appraisal fee. Managing orders is easier too. The search option is better, order information is quick and accessible and duplicating an order is much easier."

Natalie has been on the road for at least one week a month since the pilot programs started. "I love being in the branches," she exclaims. "The AEs and Ops people all around the company have been great to work with and have provided so much valuable feedback. Being on site to do the training in person has enabled me to take their feedback and make tweaks to the system in real time."

"Our old system wasn't very user friendly," AJ Capece, Operations Manager for Boston, explained. "It was very difficult to navigate through the menus and we had constant complaints about it from our brokers." But he said the transition to Mercury Network was smooth. "We were getting three or four phone calls a day with questions about our previous system, but we haven't had one call since we implemented Mercury Network!"

Now with Mercury Network, brokers can send a message, view and attach documents, change the order status, edit the FHA case number, view order history, edit property contacts. They also can place or remove an order on hold, request revisions, duplicate the order or cancel it. Our previous system didn't allow any of these actions.

"The transition was easy," Natalie says with a smile. "One, because Mercury Network is so user friendly. And now, everyone is on a common platform. But also because everyone has been so helpful. This was a big win for everyone!"

ADDITIONAL RESOURCES

We hope this document gives you a better understanding of the new Third-Party Oversight requirements, as well as some good recommendations for your own due diligence. If you'd like to see EVF in action or if you have any questions about your own setup, call 1-800-434-7260 or send us an e-mail at info@MercuryVMP.com.

- CFPB Bulletin 2012-03 on Service Providers
http://files.consumerfinance.gov/f/201204_cfpb_bulletin_service-providers.pdf
- OCC's Bulletin 2013-29 on Risk Management Guidance
<http://www.occ.gov/news-issuances/bulletins/2013/bulletin-2013-29.html>
- Compliance Guidelines: Appraisals and the Gramm-Leach-Bliley Act
<http://www.mercuryvmp.com/glba>

Mercury Network

Visit www.MercuryVMP.com/EVF or call 1-800-434-7260.