



CONNECTIONS

Winter Edition 2002

PLUGGING INTO THE APPRAISAL INDUSTRY

Happy Holidays!

In This Issue

Fannie Mae Announces New 2002 (One-Family Residential Appraisal Field Review) Test Form.....2

Premier PanelSM Vision Continues to Grow.....2

LandSafe Creates Fee Panel Advisory Council.....2

Business Partner Relations Managers Make Your Job Easier.....3

LandSafe Drives High Performance with AppraiserLinkSM3

President's Message

Market-Based Pricing Brings Higher Fees for Appraisers



Greg Dennis
President
LandSafe Appraisal

In another move toward strengthening the vital partnership with our fee panel appraisers, I am pleased to announce LandSafe's adoption of a new market-based pricing appraisal program. This program, scheduled to roll out soon, refines our current fee strategy by taking a market-based approach to appraisals.

The market-based pricing structure allows LandSafe to better align our fees to be more competitive in a given market, based on the specifics of that market instead of a general classification of metro and rural. Using the market-based pricing strategy, appraisals conducted in the more challenging markets and in some rural areas will bring appraisers higher fees.

In addition to providing better fee alignment by geography, the market-based approach also takes into consideration the complexity of the assignment. For example, the approach makes significant adjustments for jumbo properties valued over \$500,000 to \$1 million.

During the next few weeks, LandSafe will be contacting you to solicit your agreement in complying with the new market-based pricing structure. At that time, we will ask you to accept these new fees as the basis of our business relationship going forward. Once you've had the opportunity to review the new fee structure, I'm confident you will be pleased with the results.

Please feel free to contact us at 1-800-924-3633, option 7, if you have any questions or concerns.

Roll Out of LandSafe's Automated Review Rules Set

LandSafe Appraisal is pleased to announce upcoming enhancements to our method of processing appraisal reports. We encourage you to mark your calendars to reflect the scheduled changes.

On November 8, 2002, LandSafe activated a test phase of a new automated review rules set designed to review your appraisal reports the moment we receive them. The automated review engine will provide you with immediate feedback and assistance, and will enable LandSafe to deliver quality reports to customers sooner, resulting in faster payment delivery to you.

The initial phase of the rules set will verify that:

1. The appraisal is complete. (i.e.: all appropriate areas of the report are complete)
2. The electronic signature is attached.
3. Subject and comparable photos are included in the report.

4. Modifications needed prior to delivery of the product to the customer are included.

Once you upload or electronically deliver an appraisal product, you will need to go to your Microsoft Outlook inbox or log on to AppraiserLink.LandSafe.com for a message from the automated review engine. The message will tell you whether or not the audit was successful, and it may include flags and recommendations. Flags represent modifications that must be made before delivering your product to the customer. Recommendations represent optional modifications that you may want to make to enhance the quality of your appraisal report.

Again, the initial roll out and test phase of the audit rules engine began November 8. All appraisal reports will be *(continued on page 4, "Roll Out of LandSafe's Automated Review Rules Set")*

LandSafe
Appraisal Services, Inc.
6400 Legacy Drive
PTX-118
Plano, TX 75024

Fannie Mae Announces New 2000 (One-Family Residential Appraisal Field Review) Test Form

Effective January 1, 2003, Fannie Mae will implement a new 2000 (One-Family Residential Appraisal Field Review) test form. This form can be found at www.eFannieMae.com:

- Under the For Lenders and Servicers section, select "Secondary Marketing"
- Under category Forms and Guidelines, select "Selling and Servicing Form"
- Select menu item at left "List of all Forms," scroll down to 2000 Test Form and download .pdf file

The review process is essentially a phased assignment, with the form dividing the first two pages into three principal information-gathering sections.

Section One

The first section must be completed for all assignments and contains the following statements/questions:

1. Provide and analyze the sale/transfer history for the subject property for a minimum of

three years and report its impact on the value opinion.

2. Is the data in the appraisal report factual and accurate? If no, explain and complete Section II.
3. Is the final opinion of market value for the subject property reasonable as of the effective date of the appraisal under review? If no, explain and complete Sections II and III.

Section Two

This section needs to be completed only if the review appraiser answers "No" to Section I, questions two or three.

1. Is the analysis of the neighborhood complete and accurate?
2. Is the analysis of the site, including any apparent adverse site conditions and the highest and best use, complete and accurate?
3. Are the specific zoning classification and description accurate?
4. Is the date in the improvement section complete and accurate?
5. Is the data presented in the approaches to

value appropriate, accurate and correctly applied, including the individual adjustments in the sales comparison approach?

6. Are the comparable sales selected truly relevant to the subject property and the most reflective of the subject market area?

Section Three

This section needs to be completed only if the review appraiser answers "No" to Section I, question three.

1. Provide detailed reasoning for disagreement with the opinion of value in the original appraisal report.
2. State all extraordinary assumptions used (i.e. gross living area, room count, interior condition, etc.).
3. Provide a new opinion of value as of the effective date of the original appraisal under review. (The appraiser is asked to fill out a sales comparison grid).

Watch for more information about this form as we approach the January 1, 2003 deadline.

Premier PanelSM Vision Continues to Grow

Additional Appraisers Added to Panel

Following the announcement of 10 appraisers being named Inaugural Members of LandSafe's Premier PanelSM in September 2002, an additional 388 appraisers have been acknowledged as "eligible".



The Premier Panel recognizes top-performing appraisers from among the more than 4,500 members of
(continued on back page, "Panel Expands")

LandSafe Creates Fee Panel Advisory Council

Members to be announced in January

In today's competitive business environment, differentiation is an important key to success. With this in mind, LandSafe will proudly announce its new Fee Panel Advisory Council in the Spring issue of *Connections*.

Top Premier PanelSM members and key members of LandSafe's appraisal staff will be named to this prestigious council. The council will provide valuable feedback and ideas relating to how LandSafe can enhance its business processes and strategies for the future.

Karen VanGordon, SVP, Fee Panel Relations, will lead the council. "The appraisers named to this prestigious council will be selected based on their score card performance and leadership. We will look to them to help us run our



business better," says VanGordon. "We are very pleased with these appraisers' notable accomplishments and look forward to having them as part of our dynamic advisory team."

All council members will have demonstrated particular expertise and industry leadership. Be sure to watch for the official membership announcement in the Spring issue of this *Connections* newsletter.

Automated Review Workflow

(continued from cover page, "Roll Out of LandSafe's Automated Review Rules Set") delivered as normal during this test phase. The flags and recommendations that you receive will be for training and informational purposes only.

After the initial test period of 60 to 90 days, LandSafe will no longer accept appraisal products with outstanding flags. All flags must be resolved before your appraisal can be delivered to the customer and you are paid for that assignment. If a product is returned with flags, a notification will be sent back to you indicating the needed adjustments.

Workflow Changes

This enhancement introduces small changes to your workflow – changes that will ultimately benefit you, LandSafe, and our customers. Please follow the new workflow as outlined below:

1. Complete your appraisal product and electronically (EDI) deliver it.

2. After your appraisal report has transferred to our systems, go to your Microsoft Outlook inbox or AppraiserLinkSM for messages from the review. Appraisal reports with large images, i.e. several photos or maps, may take additional time to upload and thus may delay the review response.
3. If your appraisal report has no outstanding flags, you will receive a confirmation of successful delivery of the report and passing of the review engine. No further action is necessary.
4. If your appraisal product has outstanding flags, you will need to make the necessary modifications and resubmit it. (If an appraisal product is resubmitted, return to step #1 and follow appropriate steps until no flags are returned).

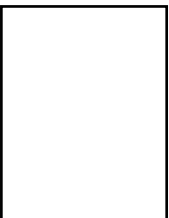
The entire review rules set is posted on the support page of AppraiserLink.LandSafe.com for your review.

Premier Panel Expands

(continued from page 2, "Premier PanelSM Vision Continues to Grow") LandSafe's nationwide fee panel. In addition to demonstrating best on-time performance and EDI delivery, outstanding appraisers consistently deliver top quality appraisals and customer service.

"This exciting new program gives our appraisers the opportunity to differentiate themselves by consistently meeting and exceeding the company's requirements for delivering appraisals quickly," says Karen VanGordon, SVP, Fee Panel Relations.

You will soon be receiving formal communication from the Fee Panel Relations Team regarding your Premier Panel eligibility status.



A member of the LandSafe family of closing services
6400 Legacy Drive
PTX-118
Plano, TX 75024

