



Overview of Collateral Underwriter

Taking Appraisal Review to the Next Level



Collateral Underwriter™ (CU™) is the latest addition to Fannie Mae's comprehensive suite of risk management tools available to customers.

- ❖ CU is a proprietary appraisal review application developed by Fannie Mae to support proactive management of appraisal quality
- ❖ CU performs an automated risk assessment of appraisals submitted to the Uniform Collateral Data Portal® (UCDP®) and returns an overall CU risk score, risk flags, and messaging
- ❖ CU leverages an extensive database of market data and proprietary analytical models to identify appraisals with heightened risk of property eligibility or policy compliance violations, overvaluation, and appraisal quality issues
- ❖ CU's dynamic web interface includes sales data, market trends, mapping, aerial imagery, public records and other functionality to assist with in-depth review of the appraisal
- ❖ Fannie Mae will make CU available at *no charge* so lenders can take full advantage of the application for quality control and risk management purposes



UAD

- ✓ **Data Standardization:** The Uniform Appraisal Dataset (UAD) standardized critical data points on the appraisal

UCDP®

- ✓ **Electronic Data Capture:** UCDP has collected over 14 million appraisals and over 20 million transaction records

Proprietary
Messaging

- ✓ **Real-Time Feedback:** Fannie Mae Messages in UCDP provide basic property eligibility, data reasonableness, and compliance checks.

Current

- ✓ **Fannie Mae Use:** CU informs Fannie Mae's post-acquisition quality control process and Appraiser Quality Monitoring.

Collateral Underwriter leverages standardized appraisal data and electronic data capture to take appraisal review to the next level.



Fannie Mae will share Collateral Underwriter with our lender partners to support more proactive management of appraisal quality.

**Available in
UCDP®**

- CU risk scores, flags, and messages will be available real-time through UCDP starting on January 26, 2015

**CU Web
Interface**

- Phased roll-out of the Collateral Underwriter web-based interface will begin in Q1 2015

**DU®
Integration**

- CU will be integrated with Desktop Underwriter® (DU®) in the first half of 2015 to give lenders a holistic view of risk



With the introduction of Collateral Underwriter, lenders will realize further benefits of industry work to standardize and capture electronic appraisal data.

- ❖ **QUALITY:** Appraisal feedback at point of appraisal submission allows lenders to proactively address potential valuation issues and improve overall manufacturing quality
- ❖ **EFFICIENCY:** Segmenting appraisals by risk profile facilitates more efficient resource allocation and workflow management
- ❖ **CERTAINTY:** Integration with DU and Fannie Mae's suite of risk management tools will provide a more holistic view of risk

SNEAK PEEK AT THE CU WEB-BASED APPLICATION



The main appraisal page includes a comparable sales map, messaging center, details for the appraiser-provided comparables, and links to additional information and functionality.

Comparable Sales Map

CU Score and Risk Flags

Message Center

Appraiser-provided comparables

Subject and comp characteristics

Comparable Rank

"Datappraisal" with alternative comparable sales

Appraisal	Type	Address	Age	Lot	GLA	Bd	Bth	Bsmt t	Bsmt f	Pk	C	Q	V	L	Rd	GD	Date	Amount	Adjusted	Rnk
S	RF	XXXX E Mitchell Dr, ANYTOWN, USA 12345	65	7527	1138	2	1	0	0	1	4	4	N	N	2	.	2014-05	\$214,000	\$214,000	.
AS 1	AL	XXXX E Pinchot Ave, ANYTOWN, USA 12345	67	8455	1014	2	1	0	0	0	3	4	N	N	2	0.56	2014-04	\$215,000	\$215,500	9
AS 2	AL	XXXX E Mulberry Dr, ANYTOWN, USA 12345	64	7924	1404	3	2	0	0	2	4	4	N	N	2	1.45	2014-04	\$225,000	\$222,500	37
AS 3	AL	XXXX E Mulberry Dr, ANYTOWN, USA 12345	67	7854	1492	2	2	0	0	1	4	4	N	N	2	1.41	2014-03	\$215,000	\$217,000	41
AS 4	AL	XXXX E Cheery Lynn Rd, ANYTOWN, USA 12345	7275	1462	3	2	0	0	0	1	4	4	N	N	2	0.48	2014-03	\$234,000	\$230,000	18
AL 5	LI	XXXXN 21st Pl, ANYTOWN, USA 12345	7902	1246	3	1	0	0	0	1	4	4	N	N	2	0.29	.	\$215,000	\$230,500	.

Configurable Comp Searches



Users can perform comparable searches by defining specific parameters for geographic boundaries, time frames, and physical characteristics.

Users can draw specific geographic areas from which to choose comps.

Users may also set specific parameters for comp physical characteristics and time frame.

Datapraise Options

Characteristic filters:

- GLA: 900 to 1300
- Lot: 5000 to 10000
- Age: 50 to 80
- Beds: 2 to 2
- Bsmt Sqft: 0 to 0
- Condition: 4 to 4

Options:

- Skip characteristic exclusions
- Skip adjustment cap
- Select Comps by Geography:
 - Strict Tract
 - Loose Tract
 - Distance
- Distance in miles:
- Carve Area: In Out

Range Options:

- Months back: 12

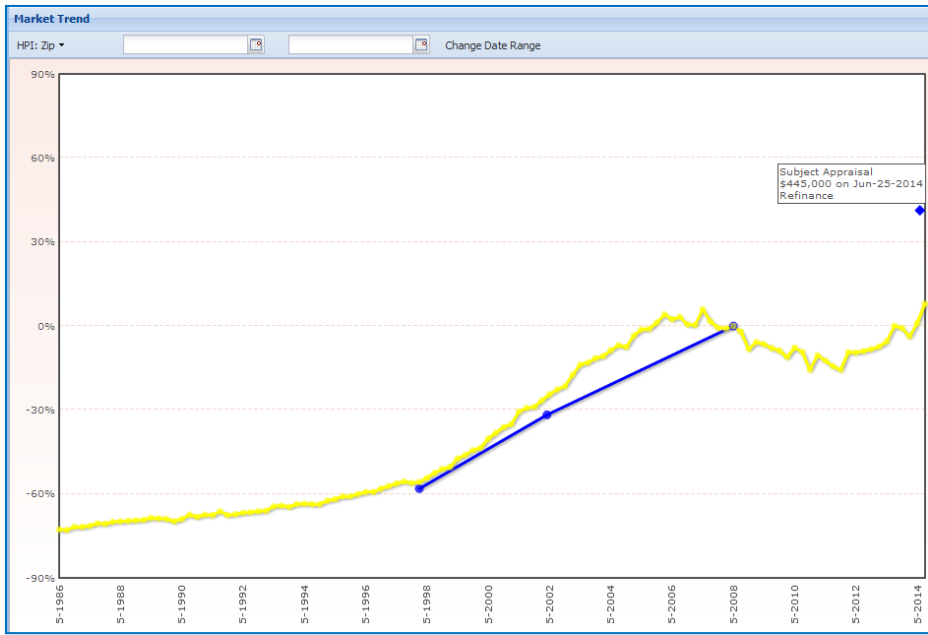
The report that will be generated has not been prepared by a certified or licensed appraiser and is not an appraisal.

Appraisal	Type	GLA	Bd	Bth	Bsmt t	Bsmt f	Pk	C	Q	V	L	Rd	GD	Date	Amount	Model	Rnk		
S	AL	27	1138	2	1	0	0	1	4	4	N	N	2	2014-05	\$214,000	.			
MC	AL	64	7841	1110	2	1	0	0	1	4	5	N	N	3	0.1	2013-10	\$115,000	\$129,488	1
MC	AL	62	8712	1130	3	1	0	0	1	4	4	N	N	2	0.23	2013-12	\$150,000	\$149,454	2
MC	AL	64	7405	1090	2	1	0	0	1	4	4	N	N	2	0.46	2014-04	\$145,000	\$150,551	3
MC	AL	61	8276	1120	3	1	0	0	1	3	4	N	N	2	0.23	2014-03	\$134,000	\$124,446	4

This information has not been prepared by a certified or licensed appraiser and is not an appraisal.

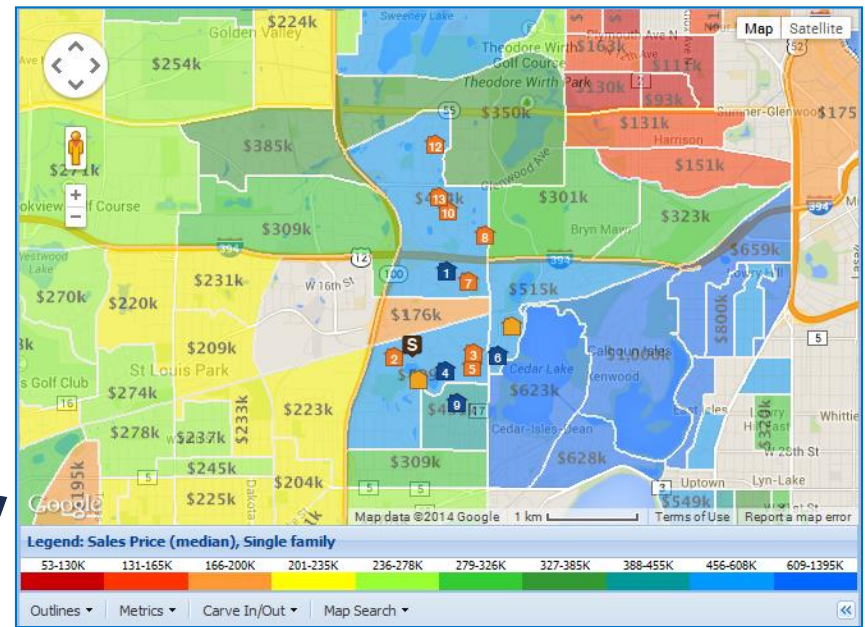


Collateral Underwriter's Market Trend and Heat Map functionality provides users detailed insight into local market trends.



The Market Trend function shows market appreciation or decline relative to prior sales of the subject property.

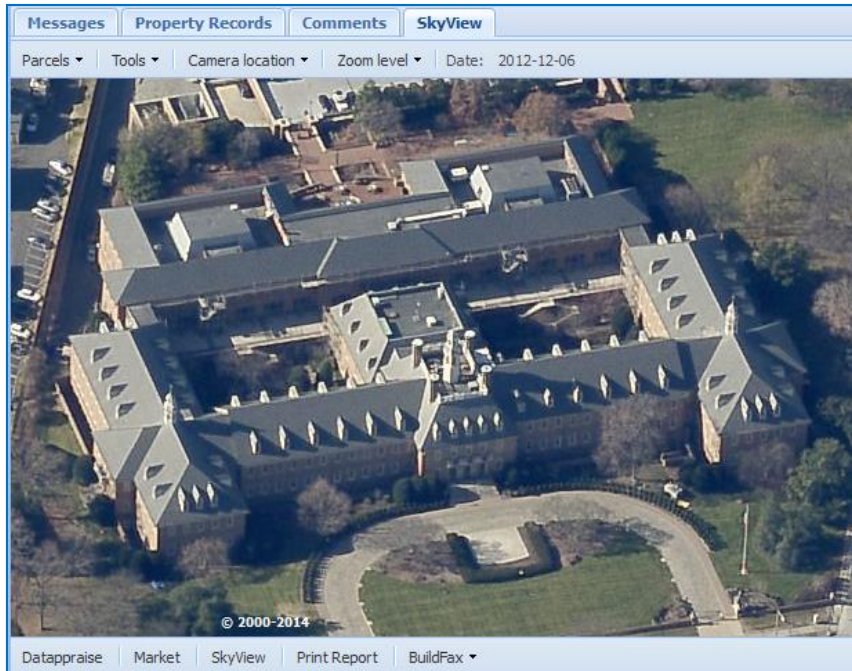
Heat Maps display Census Block Group-level statistics such as median sales price, price/GLA, median days on market, etc.



Aerial and Street-view Photography

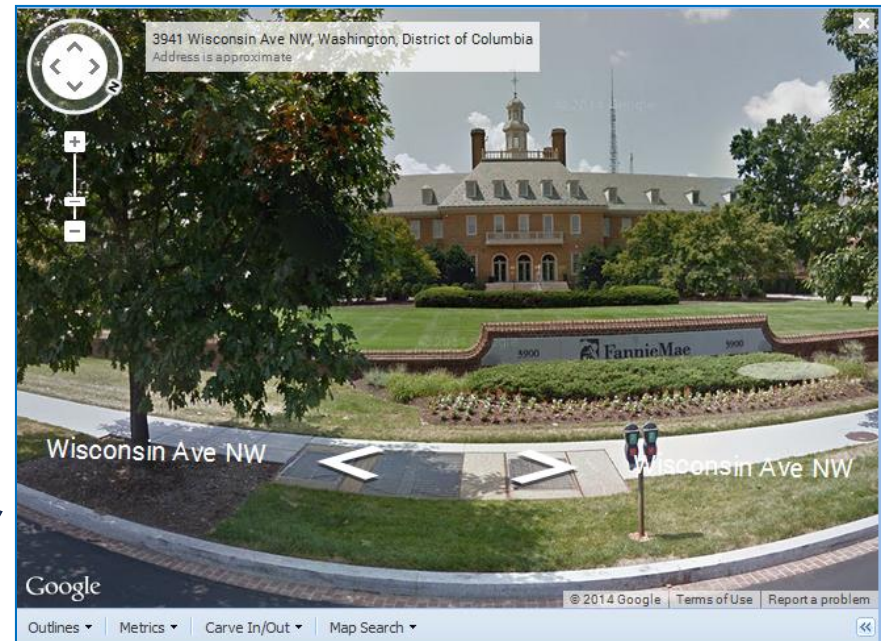


Users can easily access aerial and street-view photography from the appraisal page with a simple point-and-click of the subject or any comparable on Collateral Underwriter's property map.



CU provides a birds-eye view of the subject and comparables. Users can easily move between properties, rotate camera angle, zoom-in/zoom-out, etc.

Street view imagery for the subject or any comparable can be accessed through the CU interface.





- **Desktop Underwriter® (DU®)** – proven history of providing lenders certainty via a comprehensive credit risk assessment and determination of casefile eligibility for delivery to Fannie Mae.
- **EarlyCheck™** – provides users with access to Fannie Mae delivery edits at any point in the business process, assisting lenders in identifying and correcting potential eligibility and/or data issues prior to loan delivery.
- **Collateral Underwriter (CU)** – provides additional transparency and certainty by giving lenders access to the same appraisal analytics used in Fannie Mae’s quality control process

Collateral Underwriter will be integrated with Desktop Underwriter to provide a more holistic view of risk. This will provide a foundation for future waiver of representations and warranties on value.



Resources

Visit the CU web page for a fact sheet, FAQs, recorded trainings, and more

Bookmark <https://www.fanniemae.com/singlefamily/collateral-underwriter>