COMPANY OVERVIEW
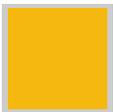
company history

competitive edge

quality assurance standards

products and services

technology

Bringing Value to Valuations

TABLE OF CONTENTS

eAppraiseIT
12395 First American Way
Poway, CA 92064
Phone: 800.281.6200
ClientRelations@eAppraiseIT.com

EXECUTIVE SUMMARY

This overview represents a focused response to pertinent and often requested information about eAppraiseIT, LLC. It includes summarized descriptions of the departments that make up eAppraiseIT, our products and services, and our core competencies. Please contact the eAppraiseIT representative listed on the *Table of Contents* page to develop a customized solution to your valuation needs.

Through a joint venture between The First American Corporation and LandAmerica Financial Group, eAppraiseIT was formed to be the nation's premier provider of electronic real estate valuation services. Managed by First American, eAppraiseIT offers the most comprehensive line of appraisal products covering all real estate transactions; from origination to foreclosure.

eAppraiseIT presents the following commitment to our customers:

- **Comprehensive Product Scope** – From our entire traditional product line that includes: Uniform Residential Appraisal Reports (form 1004); Collateral Valuation Assessment Reports (form 2055; and 2065), and desk and field review products to our growing line of innovative solutions including AVM reports, Broker Price Opinions, EagleCert™, Eagle Score, Limited Reconciliations, RAVe and VeriCert, we are committed to offering real solutions.

- **Nationwide Presence** – From our appraiser panel that includes over 200 staff appraisers and over 6,000 fee (subcontracted) appraisers, we have assembled a dedicated department to manage our appraiser database. They monitor our nationwide presence and recruit appraisers in growing market areas. Recruitment efforts include: verifying license information; checking references; and reviewing previous appraisal reports.

- **Quality Assurance** – A commitment to follow the strictest guidelines when monitoring quality. Customers are welcome to visit our offices in Poway, California or Danvers, Massachusetts, to witness how our appraisal process complies with secondary market policies and procedures.

- **Technology** – Interfacing with many of the loan origination and servicing systems used by the lending industry. Our focus continues to be the deployment of technology that enhances the appraisal process. The development of https://sourcenet.eappraiseit.com/sn/ our Web-based order and delivery system, has changed how property valuation services are offered.

- **Security** – All of our traditional products inspected by appraisers are warranted against fraud and negligence to customers in writing.

Our proven ability to provide quality appraisals throughout the United States in a timely manner results in a cost-effective vehicle for customers to reduce overhead and to shift the burden of risk and compliance to eAppraiseIT.

We look forward to the opportunity of working together.

COMPANY HISTORY

The First American Corporation, the nation's leading provider of business information was founded as a provider of title insurance in 1889. Today, our company has evolved into a single source for products and services that meet the real estate industry's loan origination and administration needs. In 1996/1997, The First American Company acquired three major appraisal firms. It is through this expansion strategy that we solidified our position as a leading provider of appraisal management services nationwide.

2002 was a milestone year for eAppraiseIT. In June, The First American Corporation created eAppraiseIT, LLC through a joint venture with LandAmerica Financial Group, Inc. In September, eAppraiseIT acquired Source One Services Corporation, a nationwide provider of broker price opinions (BPO) to the financial services industry. Both events helped improve our production and delivery of real estate appraisal products.

We have expanded market share and national presence while exploring business efficiencies and customer benefits that technology could extend to a typically paper intensive business. The development of https://sourcenet.eappraiseit.com/sn/ our Web-based order and delivery system, has changed how property valuation services are offered, and serves as the impetus behind the branding of our company to eAppraiseIT, LLC.

EAPPRAISEIT, LLC OVERVIEW

eAppraiseIT offers a vast array of residential appraisal and collateral valuation solutions providing accurate information for most real estate transactions. Our use of advanced technology, combined with centralized servicing and industry expertise, simplifies ordering and provides customers with the dedicated service and responsiveness expected from a national leader.

We effectively blend traditional field expertise with innovative technology to develop appraisal products and services that fit the new paradigm in mortgage lending. As the leading innovator in electronic valuation solutions for the real estate industry, we are committed to:

- Anticipating the needs of customers by creating progressive products and services to fulfill the industry's changing needs
- Recruiting and maintaining a well-experienced team of industry experts
- Conducting extensive due diligence on emerging technologies and deploying those solutions that enhance the mortgage lending process

eAppraiseIT has cost-effective solutions for most real estate transactions:

- First Mortgages
- Home Equity Loans
- PMI Release Services
- Foreclosures
- Tax Assessments
- Quality Assurance
- Portfolio Due Diligence
- Asset Backed Securities
- Whole Loan Sales

OUR COMPETITIVE EDGE

Resources

Our close affiliation with First American Real Estate Solutions (RES) provides customers access to the nation's largest property database with related comparable sales, tax, and assessors' map information that are used in the production of electronic appraisals. eAppraiseIT's technology leverages this data to improve processing and delivery of reports from weeks to days, or less. Our AVM reports take just seconds to produce.

To ensure the highest quality of service, we employ a staff of local appraisers or contract with the industry's leading licensed professionals. The work of these valuation professionals are consistently reviewed for quality and accuracy. We employ seasoned staff appraisers in most major metropolitan areas with an average tenure of six years.

Our experience within the real estate appraisal industry is unparalleled by any other national appraisal company. Our management staff has accumulated over 250 years of combined appraisal experience (refer to *Appendix A: Management Biographies*).

Dedication to Customer Service

Superior service is the cornerstone of keeping customers coming back. Our First American history is proof your business is important to us. We have assembled an organization of experienced professionals to manage departments within eAppraiseIT whose goal is your satisfaction. The following is an overview of some of these departments.

Client Relations

Work with contacts who have an appraisal background

Our Client Relations Managers are most likely a customer's first contact with eAppraiseIT, so the main prerequisite for this position is an appraisal industry background. Our Client Relations Managers understand the importance appraisal valuations play in the real estate lending market. Since customers may have their own criteria on how appraisals are prepared, our Client Relations Managers are responsible for documenting those requirements during the account set-up process. A customer's designated Client Relations Manager will provide training them on how to order appraisal products, will introduce them to their support contacts, and will continuously monitor their account for satisfaction levels.

Appraiser Panel Management

Gain access to eAppraiseIT's appraiser panel of over 3,500 appraisers

Under federal regulations and secondary market standards, state licensed or certified real estate appraisers must be used in federally related transactions over $250,000. We use only the services of appraisers licensed or certified by the state in which a subject property is located. Therefore, customers can be assured that Uniform Standards of Professional Appraisal Practice (USPAP) and Financial Institutions Reform Recovery and Enforcement Act (FIRREA) guidelines are followed and that each appraisal is audited for compliance.

Because we meet the guidelines outlined by Fannie Mae, Freddie Mac, and other major investors, most customers approve us as a company, eliminating individual appraiser approvals. We have assembled resources dedicated to approve and maintain a large national database of staff and subcontracted appraisers. To be approved, appraisers must provide us their appraisal license and verification that they are in good standing with their state board. We manage a panel of approximately 6,000 appraisers nationwide (with over 3,500 on active status). We can provide, by request, a document outlining our appraiser management and qualification requirements.

Quality Assurance

Our quality assurance standards require that every appraisal receive a pre-delivery review

Our ability to provide quality appraisals throughout the United States and manage an extensive database of appraisers has proven to be a vehicle for customers to reduce overhead costs and shift the burden of compliance elsewhere. Every appraisal receives a pre-delivery review to ensure the report meets or exceeds industry guidelines, customer expectations, and eAppraiseIT standards. Post-delivery reviews are also performed on an as-needed basis. We frequently invite customers to visit our offices in Poway, California and Danvers, Massachusetts to review our appraiser files for compliance measures. *Appendix B* contains our detailed quality assurance policies.

Customer Service

We respect our customer's time and strive to fulfill their needs as expeditiously as possible

Our customer service center is enhanced by a state-of-the-art call monitoring system which routes incoming calls to the appropriate team, delineated by functional process. This system ensures a prompt answer to incoming calls and alleviates the need for voicemail. While our customer service representatives are well versed in the appraisal industry, they have the ability to transfer calls to quality assurance reviewers or Appraisal Business Managers to redirect queries to personnel who possess the appropriate expertise. We respect our customer's time and strive to fulfill their needs as expeditiously as possible.

Technology

<u>SourceNet</u>

The development of SourceNet, our Web-based order and delivery system, changed how property valuation services are offered. Customers have the ability to place appraisal orders, obtain real-time status, retrieve completed PDF-format appraisals, and generate valuable custom reports.

Our proprietary ordering, tracking, and processing system, was developed to accommodate a myriad of order and delivery methods. There are a number of automated processes and advanced technologies in place to minimize turn times and maximize customer service. We have standardized our servers to run Windows NT over TCP/IP, WAN, and LAN environments.

SourceNet leverages various systems and industry standards to process electronic data interchange (EDI) or Web-based orders while faxed and phone orders are routed by our fax server and then entered into our system. EDI orders are generated from our customers' loan origination system and sent either by email, FTP, or by direct COM processing, before automatically inserted. Status information and completed appraisal reports can be returned in Adobe PDF format.

PRODUCTS & SERVICES

Automated Valuation (AVM) Products

- ValuePoint4™ Report and ValuePoint4 Valuation Score offered only by eAppraiseIT
- Home Value Explorer ™ (HVE) from Freddie Mac's
- Automated Collateral Assessment from Integrated Loan Services
- CASA from Case Shiller Weiss
- PASS from Basis 100

Valuation Review Products

- Residential Appraisal Desk Review (NARAMU 2006)
- Residential Appraisal Field Review (form 2000)
- VeriCert -

Collateral Valuation Assessment Products

- Quantitative Analysis Appraisal (form 2055)
- Qualitative Analysis Appraisal (form 2065)
- 1065 Desktop Appraisal

Traditional Valuation Products

- Uniform Residential Appraisal Report (form 1004)
- Individual Condominium/PUD Appraisal (form1073)
- Small Residential Income Property (form 1025)

Innovative Proprietary Products

- EagleCert™ - The first fully insured automated valuation solution in the industry, EagleCert™ combines reliable appraisal reporting with up to seven years of financial protection. First mortgage lenders can use EagleCert to confidently make lending decisions at a fraction of the cost of traditional valuation options.

- Eagle Score – A rating model that provides a fast and highly predictive tool to identify collateral risk. Accessed online the score is based upon years of research and data collection from our extensive proprietary resources. By coupling automated valuation technology with market research and trend analysis, Eagle Score provides a consistently objective and precise result, similar to a scholastic grading standard.

- Limited Reconciliation Report – A solution to help lenders combat potential misrepresentation in the valuation of a property. Our licensed, certified appraisers or real estate professionals review the original appraisal then obtain and analyze multiple property valuations (public and private) on the subject property. They render an opinion as to which value is the most reliable and include comparable sales data and appraisal methodology.

- Broker Price Opinion – Through our nationwide network of licensed real estate professionals, staff appraisers and brokers, we offer the BPO product line. We used automation to simplify the order process and deliver a quality product in less time. All BPO reports go through a 26-point checklist by a licensed reviewer to ensure a dependable opinion of value.

Other Appraisal Products

- Rental Survey (form 1007)
- Operating Income Statement (form 216)
- Satisfactory Completion Certification (form 442)
- Property Inspection Report (form 2075)
- Land Appraisal - FW 68

INNOVATIVE PROPRIETARY PRODUCTS

As an industry leader, eAppraiseIT continues the tradition of providing the nation's most comprehensive and innovative product lines to the mortgage industry. Cutting-edge products have placed eAppraiseIT on the forefront of valuation and collateral risk analysis. These products include: EagleCert, the nation's first and most comprehensive insured valuation product; EagleScore, a highly predictive tool for collateral risk identification; and VeriCert, the industry's first objective appraisal pre-screening tool

EagleCert®

EagleCert® is an insured valuation that incorporates the most up-to-date and accurate AVM technology and eAppraiseIT's appraisal expertise. EagleCert® enables lenders to confidently make lending decisions in a fraction of the time and cost of traditional valuation options.

The insurance component of EagleCert® is unprecedented in the industry. Lenders no longer have to foreclose upon a property to recover their losses. By offering soft loss coverage, eAppraiseIT has pioneered a fundamental change in the level of protection against errant valuations. Lenders are protected if a loan is rejected for purchase due to a valuation issue.

EagleCert® wraps insurance around either an AVM or a "bump logic" progression model that gives a value 100% of the time. This innovative solution affords flexibility in establishing validation rules by business channel or loan program to meet specific underwriting guidelines.

EagleCert® offers a powerful and revolutionary approach to collateral valuation that continues to be at the forefront of innovation in the appraisal industry.

- Insured valuation that incorporates the most-up-to-date and accurate AVM technology with eAppraiseIT's appraisal expertise

- Tremendous cost and time saving alternative to a field review

- "Bump logic" progression model that always provides a value

- May be customized by channel or loan program

- Insurance coverage is fully transferable to investors

- Soft Loss coverage protects lenders if loan is rejected for purchase on secondary market due to an errant valuation

- Qualifying loan criteria required for EagleCert

- Back by a top A.M. Best A++ rated insurer

Loan Characteristics

Loan Type:	First and Second Mortgages
Loan-to-Value:	95% maximum LTV; 100% CLTV
Credit Score:	620 minimum
Coverage:	7 Years
Finance Type:	Purchase, Refinance and Home equity
Other Applications:	Quality Assurance Review of Origination Loans
Ownership Type:	Owner occupied and second home
Property Type:	Single family, Condo, and PUD

EagleScore

EagleScore measures the amount of collateral risk associated with a property and is an effective pre-screening tool. By comparing the appraised value to the AVM value and analyzing various elements of demographic data for the area, we have created a highly predictive scholastic score to identify collateral risk of the subject property.

- **High Risk Score (70 or below):** The value of this property is likely to be overvalued and that there is serious valuation concerns and additional analysis needs to be performed. The course of action typically recommended for this score would include; ordering a more extensive valuation report, 2055, BPO, lowering the loan amount, or declining the loan completely, knowing there are other loans that will close more efficiently due to the degree of the collaterals valuation concerns.

- **Average Risk Score (80 - 70):** The value of this property is likely to have elements for overvaluation and need to be addressed, yet the elements are not strong enough to meet the characteristics of High Risk. The courses of action on loans within these scores are dependent on other independent factors, which make up the entire loan package. When these other loan characteristics are taken into consideration, they present themselves as high risk and the same course of action would be recommended as for a high risk Eagle Score. Note: If these other loan characteristics present themselves as Low Risk no additional analysis would be recommended.

- **Low Risk Score (80 or above):** The value of this property is likely to display few negative concerns and minimal risk associated with original value estimate. The course of action recommended would be no further analysis is needed.

Benefiting from years of knowledge along with quality products and service, eAppraiseIT, Eagle Score is a powerful tool in risk assessment, allowing you to make informed collateral risk decisions.

- Alternative collateral pre-screening tool
- Utilizes AVM's and demographic data to measure collateral risk associated with the subject property
- Objective scholastic score with a recommended course of action
- Results generated 100% of the time
- Various Applications in quality assurance, acquisitions, and default
- Turn-time: Instantaneous
- Cost: $25.00 (bulk discount and subscription services available)

VeriCert

Vericert is a pre-screening tool that provides a quality rating and validates appraisal data. Our independent confirmation of current sales information and recent sales histories coupled with a quality rating system helps lenders recognize appraisals that warrant further scrutiny.

- Industry's 1st objective appraisal pre-screening tool
- Enable mortgage lenders to quickly judge collateral risk
- Tremendous cost and time saving alternative to reviews
- Easy-to-read scholastic score and an overall quality rating
- Analyzes 15 vital data elements of the appraisal
- Sales and data verification of subject and comparables
- Confirms appraiser's license was active and in good standing
- Turn-time: 1 business day turn-around time in all states
- Cost: $45.00

Reconciliation Report

The Limited Reconciliation Report is a solution to help lenders combat potential misrepresentation in the valuation of a property. Our licensed, certified appraisers or real estate professionals review the original appraisal then obtain and analyze multiple property valuations (public and private) on the subject property. They render an opinion as to which value is the most reliable and include comparable sales data and appraisal methodology.

- Analyzes two or more residential property valuations
- Reconciles disparate values on a specific property
- Analyzes appraisal methodology and value credibility
- Unbiased third party opinion
- Identifies potential misrepresentation
- Turn-time: Typically 3-5 business days in most metro areas
- Cost: $85.00, includes analysis of two property valuations

RAVe Program

eAppraiseIT, the nations leading property valuation company has built a progressive valuation platform designed to provide a quicker and less costly solution for today's real estate lender. Whether for home equity, portfolio or default lending processes – the RAVe platform enables us to tailor a solution to fit your needs. This Real Asset Verification (RAVe) Process has been developed to fully integrate with your processing system for electronic order and delivery of data and reports. Hence, the 'e' follows the RAV to define 'electronic'.

The RAVe program was developed to provide our customers with a more efficient and cost-effective solution, based on risk tolerances for a specific lending niche. The program allows for specific client guidelines to be established and followed through the progressive valuation process.

Within the Program, you may have different risk adjusted guidelines to define risk tolerances. Based on these criteria, the least costly and most efficient valuation report is initially ordered. As such, the RAVe process typically begins with an Automated Valuation Model (AVM) request. If the subject data in the property market area is insufficient to generate an estimated value, or the estimated value falls outside the lender defined variance from the estimated property value, then the order will follow a progression path to deliver a timely and accurate value.

At this point, the process typically progresses to a technically Enhanced AVM. If other sources for the community data are still insufficient, then the valuation order progresses to a terminal report, such as a RAV drive-by report or BPO, prepared by a licensed real estate professional or a Desktop Appraisal. See example RAVe process below.

RAVe Process Flow Example:		
AVM	**Enhanced AVM**	**Terminal Product**
The order process begins with the AVM. When the order is electronically submitted to eAppraiseIT, the AVM model is performed and the result is compared to your tolerances. If the rendered value is within tolerance, the order is closed and delivered to you. If there is insufficient data to render a value, or the value is outside your defined tolerances, then the order progresses to the technically assisted AVM process.	At this point, a real estate analyst will evaluate why the AVM did not provide an adequate value. If additional data sources can be used to complete the subject data set, and/or comps replaced which will support the value, the analyst considers the additional information and re-runs the algorithm. If there is insufficient data to assist the analyst in rendering a value within tolerances, then the order progresses to the next report option.	Depending on the business channel and lender guidelines, various options are available. Typically, the RAV report (essentially a one comp BPO with a drive-by inspection) or a Desktop Appraisal is performed. These report options can be completed in nearly all metropolitan and suburban markets nationwide. Once complete, the order is closed and the report is sent to you.

The result of this valuation progression model can offer tremendous cost savings to you or the borrower who incurs the cost of application, closing, or default appraisal fees. With a high percentage of valuations being satisfied by an AVM, the Enhanced AVM, the RAV report, or the Desktop Appraisal -- lender or borrower time and money savings can be easily calculated and quantified.

We offer this complete array of valuation products and services that range from the online AVM to the traditional 1004. As a result, your defined valuation progression may be tailored with specific products to meet the risk tolerances of various channels, loan amount, credit score, and LTV combinations.

We are confident this process can generate significant cost savings and streamline order and delivery timeframes. Our performance and quality offers our clients a platform and valuation program that is unsurpassed in our industry.

STANDARD APPRAISAL REVIEW SERVICES

eAppraiseIT offers an array of appraisal review products of the highest caliber and provides clients with peace of mind as to true collateral value. After analyzing your quality assurance criteria, eAppraiseIT valuation consultants will develop a customized solution to meet your specific business needs. This solution may involve a customized progression to traditional review products, using a pre-screening tool as starting point. This approach enables lenders to more efficiently focus their due diligence funds on the properties associated with higher risk.

- **Standard Desk Review**

  - Analysis of the credibility and methodology on FNMA Form 2006

  - Data verification (based upon in-house data resources)

  - Turn-time: 1 business day

  - Cost: $75.00

- **Enhanced Desk Review**

  - Provides same analysis as the standard desk review and . . .

  - 2 additional gridded comparables will be added to report or disclosure stating the best comparables available were utilized in the original report

  - Turn-time: 1 business day

  - Product availability contingent upon in-house data resources

  - Cost: $125.00

- **Local Enhanced Desk Review**

  - Provides the same analysis as the enhanced desk review and

  - Review Appraiser is licensed in subject's state

  - Review Appraiser is familiar with local market trends

  - Turn-time: 2-5 business days *

  - Cost: $200.00 and up based upon zone delineation

- **Standard Field Review**

  - Review appraiser inspects exterior of subject and comparable sales

  - Confirmation of data (prior sales history, current sales data)

  - Detailed report on FNMA Form 2000

  - Additional comparables are gridded to support any discrepancy in value

  - Turn-time: 3-5 business days *

  - Cost: $175 and up, contingent upon location of subject property

  - Available with Interior Inspection for additional $100 fee

- **Enhanced Field Review**

  - Provides same analysis as standard field review and . . .

  - 2 additional gridded comparables will be added to report or disclosure stating the best comparables available were utilized in the original report

  - Turn-time: Typically 3-5 business days *

  - Cost: $50.00 additional fee to standard field review price

*   Outlying/rural areas are subject to extended turn-around times

**   Complex, atypical, and/or properties with an estimated value exceeding $1,000,000 are priced by quote.

APPENDIX A: MANAGEMENT BIOGRAPHIES

Anthony R. Merlo Jr. - President

Named President of eAppraiseIT in 2005, Tony formerly served as Executive Vice President, Chief Operating Officer Anthony eAppraiseIT, LLC. His responsibilities included Traditional Appraisal operations, Review, Innovative Valuations Group, New Markets and financial reporting as well as the Sales and Marketing functions. Tony joined eAppraiseIT on July 3, 2000 as a Vice President of Sales for the Eastern Region. In May 2001, Tony was promoted to Senior Vice President of Sales and Marketing. In October 2001, Tony assumed the additional responsibility of managing both national operations centers. Tony was appointed EVP & COO in July 2003. When joining First American Title in 1995, Tony brought an 18-year mortgage lending background in various operations and origination capacities at Mellon Bank, Meridian Mortgage and Comnet Mortgage Services. Tony graduated from Pennsylvania State University.

David Feldman – Senior Vice President – Traditional Appraisals

David earned his law degree in 1976 and received his SRA from the Appraisal Institute in 1987. He joined First American in 1997 when First American purchased the appraisal company in which he was one of the principals and chief appraiser.

With eAppraiseIT, David began as Vice President concentrating on expanding appraisal business in the East Coast. In two years, he was tasked with running the eastern half of the country and eventually he was given the responsibility for traditional appraisals for the entire country. He established a top-notch customer service center in Danvers, Massachusetts that has contributed to the success of the entire organization.

Diane Valadez – Senior Vice President of Valuation Consulting

Diane Valadez, a seasoned mortgage industry executive with more than 15 years in the appraisal industry, is Senior President of Valuation Consulting for eAppraiseIT. She is responsible for managing client consulting and marketing activities nationally for eAppraiseIT. Prior to taking her current position, Valadez was Vice President of Sales for eAppraiseIT for 5 years. In that capacity, she was responsible for valuation consulting with national and regional lenders, developing new products, increasing revenue, and enhancing client relationships. Before that, she also managed the appraisal operations of the central region of First American Appraisal Services for 4 years. In this role, she managed 40 employees and 13 states' appraisal production. Before joining eAppraiseIT, Valadez was an appraisal manager with TransOhio Savings Bank and BancBoston Mortgage Company. Valadez earned her Bachelor of Science degree in Finance from Pennsylvania State University and a MBA in Finance from Loyola University of Chicago.

Rosemary Lusk – Vice President of Operations – Traditional Products

Rosemary ("Rose") has over 20 years experience in the appraisal industry and is a Certified Residential Appraiser with extensive field experience. Since joining eAppraiseIT in 1997, Rose served as Manager of Quality Assurance and Operations Manager for other appraisal companies. As Director of Operations, her responsibilities include servicing of all traditional appraisal business processed through the Danvers Service Center.

Diane Swanson – Director of Valuation Consulting, Servicing Products

Diane was named Director of Valuation Consulting in 2004. Previously, Diane was the Director of Operations, Non-Traditional products. Her responsibilities included eAppraiseIT's automated valuation models (AVM's), EagleCert, RAVe, Appraisal Reviews as well as the company's Limited Reconciliation Report and PMI deletion services. Diane has more than 23 years experience in the real estate industry, including sales, appraisal, management and ad-valorem appraisal. Diane started her appraisal career in 1984 with Home Savings of America, where she became Chief Appraiser in 1986. Diane has been licensed as an appraiser in the states of California, Arizona and Oregon and is a Certified Appraiser with the International Association of Assessing Offices. Before joining eAppraiseIT in 2001, Diane worked for the Distressed Mortgage Service division of GMAC/RFC in San Diego. She managed 10 national vendor management companies in order to ensure the quality and timely delivery of broker price opinions and appraisals for portfolio acquisition, loan servicing and REO disposition.

DeAnna McCann – Director of Valuation Consulting, Western Region

DeAnna joined eAppraiseIT in May 2000 as a quality assurance reviewer and has held a number of operations positions with the company. Most recently, she was responsible for the Review Department (desk and field reviews nationwide) and for Appraiser Panel Management before being promoted to Director of Valuation Consulting.

DeAnna has been in the appraisal industry for over ten years, with both field appraisal and management experience. She earned her Bachelor of Arts degree from Denison University, Granville Ohio, and attended Bowling Green State University as a graduate student.

Michael Martin – Director of Valuation Consulting, Eastern Region

Michael Martin has been a staff appraiser with eAppraiseIT, First American Appraisal Services, and the Boston Five Cents Savings Bank for more than ten years. He is certified in Massachusetts and North Carolina. Michael is also a licensed attorney and has been a Mortgage Loan Advisor and managed the bank's portfolio of distressed real estate loans. He earned his Bachelor of Arts degree in Political Science from University of Massachusetts in Boston, MA and obtained his Juris Doctorate from Suffolk University Law School in Boston, MA.

APPENDIX B: QUALITY ASSURANCE POLICIES

Introduction of General Policies and Practices

The safety and soundness of real estate investments depends on an adequate system of risk analysis. An essential part of the risk analysis is an accurate, timely, and objective appraisal of the real property and other components comprising the asset or appraisal security.

eAppraiseIT, LLC is fully committed to the policy and guidelines of the Community Reinvestment Act, Federal Fair Housing Act, Home Mortgage Disclosure Act and the Equal Credit Opportunity Act. eAppraiseIT adheres to non-discrimination practices in the appraisal process and requires a high quality product, prepared in accordance with professional standards, that meets the particular needs and concerns of the client as articulated in their guidelines and/or specifications.

Appraisers must be independent of any influences, financial or otherwise, which would in any way detract from the objectivity of the reports that are prepared by the appraiser.

In order to ensure that the objectives are achieved, we have adopted further policies and procedures. This section of the policy outlines procedures for monitoring the selection of appraisers, assessing the quality of their work and determining if customer needs are being met. Product quality and service level standards are measured and processes refined to provide the ultimate customer satisfaction. Reviews ensure that all appraisers employed or contracted continue to maintain the requisite skills and reputation in their profession, and that reports provided by them will be reliable and useful to the client. Records are maintained which identify all appraisers currently authorized to render appraisals for First American Appraisal. To assure that all appraisals meet the requirements of eAppraiseIT, certain frequent or habitual infractions of eAppraiseIT's appraisal policies and standards shall be the basis for a review of the suitability of the appraiser for continued use or employment by eAppraiseIT. Records will be maintained identifying any appraiser so disqualified.

From time-to-time, as dictated by changes in legal or regulatory requirements, and as required by changes in our business strategy, modifications of this policy statement will be considered and adopted to keep the appraisal policies relevant and proper to our operations.

Quality Assurance Process Overview

1. Selection

Quality Assurance ("QA") is responsible for monitoring the quality of appraisal products prepared for our customers and for communicating quality concerns to Regional Managers for appropriate action. Selecting appraiser packages for independent review to ascertain compliance with established eAppraiseIT policies and procedures are done at random from a current approved appraiser list. These files are reviewed for completeness, accuracy and adherence to our requirements.

In order to monitor the quality of appraisals produced, every appraisal report is reviewed. Several types of reviews are performed to ensure compliance with industry standards including report completeness, accuracy and sound logic. The appraisals are reviewed for supportable value conclusions and the results of these reviews are used in assessing the performance of appraisers, identifying training needs and evaluating geographic concerns.

2. Quality Reviews

Quality reviews are considered a vital portion of the products produced by eAppraiseIT Services. QA is responsible for in-depth analysis and review to ensure the use of qualified appraisers and to monitor the quality of the appraiser's reports, including completeness, accuracy and sound logic, resulting in supportable value conclusions. To meet eAppraiseIT quality objectives, QA performs the following types of Quality reviews:

3. Types of Reviews

We perform Administrative Reviews and Technical Reviews as part of our pre-delivery process. On occasion and based on noted concerns or at the direction of QA, we escalate the review to a full desk or field product. QA typically performs Technical reviews with a portion of the post-delivery sample to include field reviews. Desk reviews are typically employed as a tool to resolve adverse findings.

Review Type	Description
Administrative Reviews	Performed by an eAppraiseIT processing team member on all appraisals before delivery to THE CLIENT. These reviews ensure the completeness of the report and compliance with Customer specifications. Based on concerns noted during this review, the appraisal may be referred for a higher level review.
Technical Reviews	Performed on eAppraiseIT appraisals by a qualified appraiser. Based on any concerns noted on the appraisal, additional work may be targeted. These reviews focus on specific Customer specifications, accuracy and logic. These reviews do not include content validation.
Desk Reviews	Performed by a licensed or certified appraiser. These higher level reviews focus on the accuracy and applicability of the comparable data used on the original report; including an assessment of the appraiser's logic and value conclusion.
Field Reviews	Performed by an appraiser of the appropriate licensing/certification level, familiar with the subject's market area. In addition to the issues noted for a desk review, a drive-by of the property is performed. These reviews can be performed on a random basis or as a vehicle to resolve value disputes or adverse findings.

4. Special Reviews

Customer requests are considered Special Reviews and can be initiated for various reasons. The results are analyzed and combined with our standard review process to evaluate an appraiser's overall performance. For example, special reviews can be performed as a result of claims or value variations from customers.

Internal requests are another Special Review and the results are used to support any determination about of an appraiser's consistency and quality. Internal requests typically originate from an eAppraiseIT Regional Manager, the Appraiser Panel Management (APM) department, or the Quality Assurance Manager.

Appraiser Competence

QA evaluates the complexity of the report and determines if the appraiser had the appropriate level of licensing and experience as defined by Uniform Standards of Professional Appraisal Practice (USPAP), Financial Institutions Reform Recovery and Enforcement Act (FIRREA), Fannie Mae and Freddie Mac.

All appraisers are regularly reviewed against any confidential industry exclusionary listings. As new lists are received, additions are checked against eAppraiseIT's approved appraiser database, which includes inactive appraisers and pending appraisers.

Compliance

QA is responsible for monitoring and communicating appraisal industry changes to the eAppraiseIT staff. These regulations include, USPAP, state specific regulations, Fannie Mae and Freddie Mac requirements.

Notices of Concern from External Sources

Information received from third parties can be used to assist in the QA process and should be given appropriate consideration (i.e., requesting reviews or special audits from QA on the appraiser's work). Other examples of external sources are:

▸ Mortgage Insurance Companies and Investors will generally share appraiser performance concerns based on their experience
▸ Customers will usually share concerns about an appraiser's work (usually by requesting a review)
▸ Competitors will sometimes informally share concerns about an appraiser's work or activities
▸ Service Providers such as GAPS, IRSC and MARI will share information in a structured manner

Reporting

5. Appraisal Concerns

Issues that potentially impact quality are noted as significant exceptions during QA reviews. If necessary, the QA reviewers contact the appraiser to discuss their concerns and strategize appropriate revisions.

6. Performance Tracking

Tracking of appraiser performance is accomplished by using various appraiser and customer trending reports. These reports can include information such as:

▸ Frequency of use during preceding year
▸ Number of reviews performed during review period
▸ Performance trends and results during review period

Special Audit Results

Special audits can be performed when requested by an eAppraiseIT Regional Manager, the Appraiser Panel Management (APM) department, the Quality Assurance Manager, or an eAppraiseIT customer. Results are communicated in letter or memo form to the requestor, summarizing concerns and providing QA's opinion of the appraisal report and valuation.

Appraiser Misconduct or Negligence

All personnel are required to report all significant appraiser and appraisal issues immediately to Quality Assurance Department. They will investigate concerns and provide a summary report for management's review. Upon investigation and management's authorization, QA will notify any appropriate parties of the appraiser's misconduct or incompetence. Types of notification are:

Notification	Description
Customer Notification	QA provides the customer with written information regarding any critical value concerns and/or potential losses relating to poor quality appraisals.
Governing Agencies Notification	QA findings may be forwarded to the appropriate state licensing board and file Office of Real Estate Appraisers (OREA) complaints relative to the appraiser's misconduct or incompetence.

Actions and Appraiser Status

QA will make recommendations to the APM Specialist and the Regional Team Manager regarding an appraiser's status. The following are the nine eAppraiseIT status codes:

Status Tag	Description
Pending	Appraisers under solicitation for our roster.
Rejected	Appraisers not meeting our minimum requirements.
Hold	Solicited appraisers needing to respond to issues noted during the approval process. Also appraisers with ratings, but not meeting our minimum documentation requirements, will be recorded here as an additional resource for recruiting.
Watch	Appraisers under preliminary approval. These are new appraisers needing their work reviewed and a rating established before they are eligible for "Approval". They may also include appraisers with declining ratings or appraisers that appear on industry exclusionary listings.
Approval	Appraisers with acceptable ratings and regular eAppraiseIT usage are considered full panel members.
Dormant	Appraisers not used often, where our license information may have expired but ratings were acceptable. These appraisers are employed for urgent hires.
Suspension	Appraiser not providing timely responses or under investigation are placed in suspended status. They are not eligible for assignments during this period.
Expiration	E & O and License expiration notices are sent to the appraiser prior to suspension. A response time will be established and all required information not received by APM prior to that date would result in the appraiser's inactivation.
Removal	Appraisers removed for cause, appraisers no longer in the business or appraisers requesting removal.

Removal Status and Procedures

APM, QA, Regional Managers or eAppraiseIT management may initiate a "Removal" status. The removal of an approved appraiser may become necessary due to a variety of reasons (e.g., poor judgment, poor performance, leaving the appraisal profession, or unable to locate the appraiser). Removing an appraiser happens in cases of disciplinary action resulting from consistently poor performance or judgment. Formal notification is sent to the appraiser indicated their removal from eAppraiseIT's approved appraiser database. The appraiser is then no longer able to claim they can perform work for us. The following are examples of poor judgment or performance:

Removal Reason	Description
Quality of Work	Appraisers demonstrating a trend of poor quality appraisals, as defined by QA reviews are removed from approved status.
Inadequate Responses	Appraisers failing to respond or providing inadequate responses to findings or documentation requests are, at the discretion of eAppraiseIT, removed from approved status.
Negligence	Negligence as determined by Management or significant losses resulting from an inability to support value conclusions.
Fraud	Fraud as determined by our review of the preponderance of evidence.

Pursuit of Loss Reimbursement

Management determines legal action after presentation of pertinent facts and information by Quality Assurance.

Appraisal Reviews

QA audits the appraisal integrity by assessing completeness, thoroughness and logic of the report. Documentation and applicable narratives must be a part of the appraisal report and must fully support the value conclusion. The following areas of the report are reviewed:

- Building sketch to show all dimensions, room placements and outbuildings
- Area map to identify the subject and comparables
- Clear photographs of the subject, street scene, amenities and comparables
- Operating Income Statement (form 216/998), SFR Rent Schedule (form 1007/1000), if applicable
- Statement of Limiting Conditions (form 439/1004B)
- USPAP Appraiser Certification - Effective 1/94 (6/93 revised Fannie Mae and Freddie Mac appraisal form contains the required certifications)
- Required appraiser comments and supporting documentation are required on any significance discrepancies or exceptions, impacting the value conclusion
- Comps and data sources used were the best available and verifiable
- Consistent correlation throughout the report

Appraiser Monitoring

Approval

- QA is responsible for monitoring the approved appraiser database. APM is responsible for the maintenance of all approved appraiser files and data.
- QA tests are performed to ensure that all appraisers assigned to prepare reports were approved at the time of assignment.
- APM must be queried to determine if the appraiser is approved appraiser or not.
- Review the date of approval and compare to work performed.
- The appraiser's approval status code will indicate whether he/she is Active, Inactive, Removed, etc.

Appraiser Eligibility

We require appraisers to meet minimum eligibility standards as defined below:

- Legal Requirements - QA determines if the appraiser complies with, if applicable, any legal requirements set by the state, in which an appraiser resides and/or practices in, must be met.
- Error and Omissions (E&O) - The appraiser should maintain an E&O policy with at least $500,000 liability insurance.
- Reported Lawsuits - QA determines if the appraiser has properly disclosed any litigation against himself or his firm where fraud or negligence occurred. If the appraiser or the company has been sued, the final disposition must be disclosed. QA randomly checks with public records to verify the disclosure of or absence of lawsuits.

Provide a Valid State License or Certification

License Status	Description
Unlicensed	Unlicensed appraisers are not eligible for approval. They may perform services on non-traditional products (e.g. comp checks and Broker Price Opinions).
Limited Licenses	Appraisers' holding limited licenses such as: provisional; transitional; conditional or trainee are not eligible for approval with First American Appraisal. They may perform services on non-traditional products (e.g. comp checks and Broker Price Opinions).
Lower Designations	Lower designated such as; "licensed" appraisers are generally prohibited from performing "complex"* appraisals over $250,000 in transaction value, they may perform non-complex appraisals up to a transaction value of $1,000,000. QA randomly verifies the appraiser's license and status with the applicable state agency.
Higher Designations	Typically "Certified" appraisers are qualified to perform all residential appraisals, including complex*, up to a transaction value of $1,000,000. QA randomly verifies the appraiser's license and status with the applicable state agency.

* Complex is defined as a property, form of ownership or market conditions that are atypical. The Approved Appraisal Reviewer must assess the preparing appraiser's qualification (by virtue of his/her license/certification and quality of report) to perform the complexity of appraisal requested.

Physical Inspection

Physical inspection of the subject property is required by the individually approved appraiser. Only in cases where companies are approved may the co-signing "Approved Appraiser" not inspect the property. QA randomly verifies who inspected the property.

Exclusionary Lists

Generally, appraisers appearing on any external or internal exclusionary or watch lists may not be eligible for approval.

Conflict of Interest

We do not allow potential conflicts of interest or even the appearance of a conflict.

Except as stipulated below, staff appraisers must be independent of the real estate transaction. Both staff and independent fee appraisers can not have other involvement in the transaction, and no direct or indirect interest, financial or otherwise, in the property to be appraised, or in the outcome of the transaction.

To further assure the appraiser's independence, the correction of errors or revisions in appraisal reports needed to maintain adherence to these policies and standards, is to be accomplished without threat of withholding payment. However, any lack of cooperation by the appraiser in following through with such revisions shall be a factor for the consideration in either a special or periodic performance review, and may be grounds to disqualify or terminate the appraiser's approved status.

1/17/2005