



## Combining Technology with Live Appraisers

### Mortgage Technology

Source: <http://www.mortgage-technology.com/avm/>

While there has been much ado about replacing live appraisals with AVMs, it isn't morphing into an all-or-nothing proposition. AVMs and other technologies are being used by appraisers to streamline the process and still deliver human expertise.

"There are problems with fraud and lenders wonder if appraisers are telling the truth, which has caused some to shift to AVMs," said Brad Stinson, vice president of business development at Zaio, Tempe, Ariz. "So, our technology gives the appraiser more credibility. As it is right now, appraisers basically get a call and they have to do a certain number of appraisals in 24 hours. So, they're under the gun, which could cause error.

"To solve this problem we created a national database and put it in the hands of the appraiser so they can do significant research and deliver a quality report back in a fraction of the time. We have photographers taking pictures of homes and appraisers assigned to a particular zone of the country. We act as a data collector that can offer market analysis. When the lender pushes a button they get a report and when they push another button they get actual photos of the property. We can even be integrated into their AU to fulfill the stipulations electronically."

The system works in such a way that the appraiser updates all the sales and values every month in his or her area. They update the reports on a monthly basis. And the appraiser puts his or her license on the line with the report and never interacts with the broker or the buyer, cutting the fraud risk as a result. In this scenario the appraiser is doing a pure appraisal based on their knowledge of the area and that becomes part of the Zaio network.

"Once we get the inspection and the photo we produce a score and a report that is updated annually," added Mr. Stinson. "Everything is given a numeric rating. We also have appraisers assigned to the given zone to respond to the market, the photos and the analytics. With an AVM you don't have a clue if it's the right address, what the property looks like, etc. Our system offers better analysis, backed up by a live appraiser that isn't stuck between a buyer and a seller, and it's just as fast as an AVM. It's the same trusted process, just a new way of getting there."

Given the nature of the services the target market is expanded beyond just the lender. "We can help in the assessment, mortgage-backed securities, the photo, the address of certain property types, so we're not always selling a lender. If you want to know how many mobile homes vs. stick homes we can tell you and give you a photo of the property," reported Mr. Stinson.

Zaio has 1/3 of every major city in the country covered under its network. The company plans to get to 65% coverage of the entire U.S. by the end of this year.

What's the revenue model overall? "Appraisers pay for a zone and we put that money to the photographer and analytics," answered Mr. Stinson. "So they buy the zone and presto all the photos, maps and data come up for them to analyze. The information can be downloaded to their PDA so they can do the physical inspection with our data and photographs in front of them.

"As a result, they can catch that the property is next to a railroad or a school or a gas station and update the report to include things that aren't seen in the photo. This system will also act as a great database because you will be able to track the look and value of a property over time because the report is updated monthly and the photo annually.

"We'll track all adjustments to say how much value has been gained or decreased over time. National data may say the value in a given city is down 10% but that doesn't go down to the property level because an individual home might go down in value 2% or 20%, even though the city is down 10%. We'll provide that added value," concluded Mr. Stinson.