

Village Bank Mortgage Selects vmcSelect for HCVV Compliance

In March of 2008 government sponsored enterprises (GSE's) Fannie Mae and Freddie Mac avoided criminal prosecution by agreeing to a settlement with New York Attorney General Andrew Cuomo who was investigating inflated residential appraisals. The agencies agreed to adopt new changes in how appraisals are processed in the mortgage industry in exchange for an end to the investigation. What emerged from that settlement was the Home Valuation Code of Conduct (HVCC), which contains positive, common sense initiatives designed to limit lender influence on appraisals.

The new Code contains major changes in how brokers, banks and credit unions are able to work with appraisers and how appraisers are able to operate. Under the agreement, lenders selling loans to Fannie Mae or Freddie Mac will be required to adhere to the HVCC. Among the s changes, lenders may no longer allow loan production staff to order appraisals and they will be prohibited from using appraisal management companies that they own or control.

After some delay the new Code is scheduled to take effect May 1, 2009. But there are concerns. In a recent letter National Association of Realtors President Charles McMillan noted that most lenders have not completed the necessary system upgrades to assure compliance with the HVCC.

This means many lenders will be forced into compliancy with little or no time to find a solution. Manual compliance is certainly an option, but can become resource intensive and difficult to monitor. HVCC is specific in scope, but the tools available to lenders to ensure compliancy is not.

For their solution, Village Bank Mortgage, headquartered in Richmond, VA selected InterActData's vmcSelect product as their HVCC compliance tool. Village Bank Mortgage and its 23 loan officers are the mortgage division of the 14 branch Village Bank.

Known for its vendor management portal solutions, industry leading client support and unparalleled cutting edge technology, vmcSelect is a custom managed solution that provides a lender with the ability to become immediately compliant says InterActData CEO Benjamin Renko.

"Our solution provides the lender with complete control and auditing of the appraisal ordering process simply by using our proven technology and integrated Rules Based Distributed Ordering," Renko noted.

vmcSelect is a simple, yet sophisticated Web "Portal", developed for lenders from an insiders perspective; a managed solution for the organization and control of a lenders vendor ordering options. The vmcSelect interface was designed with the end-user in mind. With no software to install, either using a simple Web interface or through direct Loan Origination Software integration, a lender has complete access to resources and files, simply and efficiently.

vmcSelect allows the user to input information once and have it delivered to multiple recipients simultaneously. In addition, vmcSelect keeps track of a lender's order history and can also be integrated with most loan origination programs.

Village Bank Mortgage Operations Specialist Camilla Thompson who was tasked with overseeing the lender's effort to become HVCC compliant says that vmcSelect made what initially appeared to be an enormous undertaking less cumbersome than anticipated.

"vmcSelect has been very helpful in our transition to comply with HVCC guidelines," said Thompson. "vmcSelect worked closely with us to create the portal we use to order appraisals, and also provided training to our end users. In addition, vmcSelect continues to assist with technical issues as they arise, and is able to quickly resolve them."

One of the big concerns for many lenders with the implementation of HVCC is a fear that long-term relationships with quality appraisers could be at risk because of the new guidelines. That was an issue for Village Bank Mortgage who wanted to balance maintaining those existing protocols while still meeting the guidelines imposed by Fannie and Freddie.

"It was very important to be able to continue to utilize appraisers that are on our approved appraiser roster," Thompson explained. "Both sides know what to expect from each other, which helps to maintain a consistent level of good customer service for all involved."

An essential component that went into the design of vmcSelect is the understanding that lenders already have approval processes for all of their vendor needs in place and have already established relationships. Renko says vmcSelect is designed to provide a standard interface for the end user, making their jobs easier and their time more productive while still maintaining those relationships.

"A branch or center submits an order for the appraisal, the order is evaluated against the lender's predefined set of rules, and in rotation order the appropriate appraiser is selected by the system and the order assigned. The loan officer, branch or center has NO influence over the assigning or selection process," he said.

The key according to Renko is that vmcSelect is not an "off-the-shelf product but a tool that is designed and implemented only after extensive due diligence to discover exactly what the lender needs the product to accomplish.

"Our commitment is not only to be the best at what we do, but also to know and understand the business model of each of our clients and the challenges they face," Renko added. "As such, we are aware of the changing landscape facing the mortgage industry and our solution helps the lender navigate this change."

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For more information on vmcSelect visit www.vmcselect.com