

# **Policies and Procedures**

for

VA Appraisals

Appraisals for Borrowers with no Credit Card

Escrow Holdback Finals

Disaster Finals / Recertification of Value

Desk Review / Field Review

These policies and procedures are set up to ensure Open Mortgage, LLC is compliant with all federal and state trust requirements. It also ensures that each borrower is treated fairly.

They will also streamline the appraisal ordering process for VA loans and loans when the borrower does not have a credit card to pay for the appraisal upfront.

Per Fair Lending, if a loan officer offers to cover the cost of the appraisal fee and is not collecting the fee from the borrower on the HUD-1, the same offer must be made to all borrowers. There isn't an acceptable reason for making this offer to one borrower and not to all.

All appraisals with the exception of VA appraisals are to be ordered through an Open Mortgage approved AMC.

Loan officers and processors are no longer allowed to accept checks, money orders, wires, cash, or any form of payment from a borrower other than their credit card information. Due to a corporate procedure change neither the loan officer nor the branch can pay for an appraisal or final inspection and get reimbursed from funds collected on the HUD-1.

All VA appraisals will be ordered by the processors. The processors will order the VA appraisals and send a copy of the VA appraisal request to [appraisalorder@corp.openmtg.com](mailto:appraisalorder@corp.openmtg.com). When the appraisal is completed, the invoice will be forwarded to the email address above. Lending obtains the paid invoice and uploads to CABO/LQB and emails the processor. The fee

will then be collected on the HUD-1 for the benefit of Open Mortgage to reimburse corporate for the cost of the appraisal.

If a borrower does not have a credit card to use for the cost of the appraisal, it will be ordered through the Appraisal Order Department at corporate. The fee will then be collected on the HUD-1 for the benefit of Open Mortgage to reimburse corporate for the cost of the appraisal.

For files containing credit card information, the appraisal will be ordered by the processor as usual. If the borrower has a credit card showing on their credit report the loan officer must obtain the information using the credit/debit card authorization form in the LOS system and permission to use it. The loan officer cannot obtain the borrower's credit card information until the borrower has signed the intent to proceed, and a CABO/LQB/Reverse Vision loan number has been assigned.

Any file requiring a final inspection will follow the same payment procedure as the original appraisal order. If the borrower paid for the appraisal they will also need to pay for the final inspection.

Investor-required disaster inspections will be ordered by the Appraisal Order Department and paid for by corporate. This fee **cannot** be charged to the borrower.

Field reviews and desk reviews will be ordered by corporate. These fees **cannot** be charged to the borrower.

Files with escrow hold-backs will be administered by the Appraisal Order Department including all final inspections. Reimbursement for final inspections to corporate will come from the escrow holdback funds or the fee collected on the HUD-1.