

COLLATERAL REVIEW - CASE STUDY

Indecomm Global Services Provides New Level of Collateral Review for Leading National Bank

Indecomm Enhances Underwriting Efficiency

In Brief

- **Indecomm Lending Solutions**

The Client sought to ensure regulatory compliance of its mortgage collateral documents.

Central to this was confidence in the supporting documentation for property valuation.

- **Indecomm Outsourcing**

Indecomm provides collateral review process to leading national bank.

- **Increase in Appraisal Quality, Reduction in Risk**

By using Indecomm's collateral review services, the Bank was able to improve the quality of its appraisals, reduce regulatory risk and improve savings.

Client Profile

The Client was founded 150 years ago and has a network of more than 70 offices.

Challenge

The Bank had the same concerns that all banks had - assurance that their mortgage collateral documents were regulatory compliant and properly supported the valuation used in the underwriting decision. The Bank recognized that underwriters are not appraisers, and to ensure compliance they sought to incorporate the knowledge of appraisers into the mortgage approval process. Their main concern was risk management when selling to the secondary market. Assistance was needed with collateral review to prevent repurchase due to substandard collateral valuation documents.

Lacking their own internal staff of appraisers, outsourcing that service was determined to be the most logical and economical approach to collateral assurance.

Solution

Indecomm's Collateral Review solutions provide the Client with a document that is both regulatory compliant and adequately supported for the opinion of value.

Indecomm receives the Client's appraisal, reviews the document, seeks corrections if required and returns to the Client a document that can stand the scrutiny of being part of a portfolio or sold to the secondary market. The reviews are performed expeditiously, resulting in quicker turn times for underwriting purposes.

“Our unique approach to collateral review is that we utilize trained appraisers to review the collateral piece for our partners. We are able to provide experts in the appraisal field who have had training in underwriting skills to review the document from two directions. The appraiser part of our approach identifies some shortcomings that an underwriter may miss, while also providing underwriting skills to identify commentary and completeness that typical appraisers are simply not trained to provide. This combined skill set allows a more thorough and desirable collateral document to be provided to the lender without the back and forth dialogue usually needed.”

**— Randy Munday, Director of Collateral Services
Indecomm Global Services**

Benefits

Indecomm’s proven collateral review process has resulted in the Client being able to eliminate substandard appraisers. The Bank’s underwriters also have more time to focus on other business concerns rather than valuation issues. The Bank has met its key goal of increased appraisal acceptance for secondary market purchases. In addition, the Bank has access to Indecomm’s team of subject matter experts, reducing hiring and staffing costs. The efficiencies gained in working in partnership with Indecomm have eliminated the problems of collateral-based denials, which many of their competitors experience.

Major Advantages for the Client

- Access to certified appraisers
- Rapid turnaround
- Lower production costs
- Time savings and clarity in appraisal standards

Indecomm Elements

- Combined Appraiser and Underwriter skills
- Proven collateral review process