



**FOR IMMEDIATE RELEASE**

**FNC® Platforms Ensure Lenders Comply with New Fannie/Freddie Guidelines**

*The technology company's products address issues of appraiser independence, regulatory compliance.*

Oxford, Miss., (March 10, 2008) – Officials of mortgage technology company FNC Inc. said Monday they have industry-proven platforms that will ensure mortgage lenders comply with new Fannie Mae/Freddie Mac rules spelling out how home appraisals can be conducted.

FNC CEO Bill Rayburn said the company's Collateral Management System® (CMS®) for enterprise lenders and its Collateral Headquarters™ (CHQ) platform designed for regional and community banks are the solutions mortgage lenders will need when the new rules take effect Jan. 1.

Last week, New York Attorney General Andrew Cuomo announced an agreement with Fannie Mae, Freddie Mac, and the Office of Federal Housing Enterprise Oversight to establish a Home Valuation Protection Program. The program demands significant changes to the real estate appraisal process for residential mortgage transactions and includes a Code of Conduct that mandates appraiser independence, appraisal compliance to regulatory standards, and market trend tracking.

Fannie Mae and Freddie Mac are government-sponsored enterprises (GSEs) that buy mortgage loan portfolios from lenders, allowing the lenders to fund more loans. The GSEs agreed not to buy the loans unless banks prove they order appraisals from independent vendors who will provide objective valuations. The stipulation also applies to mortgage brokers, who have historically selected their own appraisers—a practice linked to appraisal fraud.

“Documentation of the entire loan process is critical, as is evidence of appraiser independence, compliance to USPAP standards, and indications of appraisal or appraiser violations,” Rayburn said. “We provide clients with solutions for all of these issues.”

Regarding appraiser independence, the FNC platforms feature auto-assignment—functionality that ensures appraiser independence; the system automatically assigns orders randomly yet equally to appraisers on the lender's approved vendor list. Likewise, FNC data and analytics give lenders the tools they need to have confidence in the appraisal at every step of the loan process.

Of particular importance will be FNC's Generally Accepted Appraisal Rules™, also known as the GAAR® Compliance series. GAAR, available through the CMS, CHQ, and



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as a stand-alone Web-based product, ensures USPAP compliance by thoroughly scanning the appraisal and flagging any suspected violations. FNC Chief Appraiser Kathy Coon, a former Appraisal Institute chair of education, helped develop the GAAR series as lead developer and subject matter expert.

“Months ago, we established this functionality as a stand-alone Web service, allowing lenders to call a Web page, load the appraisal, and know if the appraisal is compliant or not,” Rayburn said.

More than ever, FNC’s collateral management platforms, GAAR Compliance series, and analytic products are critical to anyone interested in access to accurate, up-to-date appraisal information at every phase of the loan cycle throughout the life of the loan.

### **About FNC, Inc.**

FNC pioneered real estate collateral information technology. Since 1999, FNC has driven down costs and streamlined loan processing for the nation’s largest mortgage lenders. With its collateral management platforms and collateral-focused data and analytics, FNC provides advanced insight into the property backing a loan from origination to capital markets. No one understands real estate collateral better than FNC. Visit FNC’s Web site at [www.fncinc.com](http://www.fncinc.com).

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