AVM Insight

KEY BENEFITS

> **Access more timely and relevant property analytics** for use throughout the entire mortgage loan cycle:
> – Prospecting
> – Point-of-Sale Origination
> – Underwriting
> – Settlement
> – Quality Control
> – Secondary/Capital Markets
> – Account Management
> – Default Management
> – REO Management

> **Include property analytics as part of your Allowance for Loan and Lease Losses (ALLL) program** as required by the following financial regulators:
> – FDIC
> – NCUA
> – OCC
> – OTS
> – Federal Reserve

> **Make smarter collateral segmentation** and analytical decisions by leveraging your existing Equifax information pipeline

> **Leverage collateral risk analytics** in ways never before available:
> – Understand how a subject property compares to surrounding properties
> – Pinpoint the property location with integration of geo-coding, spatial analysis and other emerging tools

> See reverse for ways you can use AVM at every point of the mortgage loan lifecycle

Manage your collateral risk with a market-leading AVM

The mortgage crisis resulted in a major decline in home values in virtually all areas of the U.S. The trickle-down effect is that mortgage loan balances can be greater than the market value of the property — leaving lenders with greater exposure to losses. Equifax offers a wide range of property valuation solutions that help you better monitor and reduce your mortgage risk throughout the lifecycle of a mortgage loan.

Our solution begins with non-traditional data, unique segmentation and proprietary models, and informative transparency. The result is one of the most accurate automated valuation models (AVMs) on the market, **AVM Insight**™, which offers a new level of insight into the collateral risk on your balance sheets.

Differentiated data is the foundation

In addition to traditional public data sources, our property valuation models leverage private data sources to provide the most accurate, current valuations on the market. It generally takes public data sources 3-9 months to record and publish sales transactions. In today's volatile market, this time lag makes other AVM providers largely ineffective. Our private data sources infuse valuable insight into localized markets and allow for key market vital signs to be calculated, such as average days on market and absorption rates.

Unique geographic segmentation for better assessment

AVM Insight's patent-pending algorithm segments the U.S. real estate market into approximately 45,000 clusters of like neighborhoods, enabling us to combine transactions of similar properties with similar economic and demographic environments. We use these homogenous combinations of property attributes and economic drivers to build our valuation models. Lenders can then use these models to assess market conditions in dissimilar neighborhoods that reside in the same ZIP code.

EQUIFAX®

Use AVM Insight throughout the mortgage loan lifecycle

- Prospecting
  - Marketing Prescreen
- Point-of-Sale
  - Validate estimate for reasonableness
- Underwriting
  - Collateral assessment for low-risk loans
  - 2nd mortgages
- Settlement
- Quality Control/Quality Assurance
  - Retro valuations
  - Reconciliations
  - Repurchases
  - Claims
- Secondary Marketing
  - Due Diligence
- Account Management
  - Portfolio Updates
  - Loan loss reserves
  - Loan modifications
  - Portfolio segmentation
- Default/REO Management
  - List price estimates
  - Value reconciliation
  - Forecasted value
  - Distressed sale

Multiple valuation methods increase hit rate and accuracy

Most AVMs utilize two basic methods for modeling: price index and hedonic. In addition to these methods, AVM Insight employs an appraisal emulation "expert system" and a time series model based on tax assessor data. A supervisory algorithm then reconciles estimates to deliver an optimized AVM value. Employing four different approaches yields more consistently accurate values across the full span of geographies.

Informative transparency into the underlying data

Unlike other "black box" AVMs in the market today, our model allows you to see the underlying data that supports an estimated value, providing a more transparent solution. This transparency powers our property adjustment and comparable selection functionality, which allows you to customize the valuation process in the event the system-generated information is stale or does not accurately reflect current values.

Collateral risk analytics delivered via your Equifax pipeline

Realize both financial and processing benefits by using your existing Equifax information pipeline to receive and leverage our unique set of analytics to make more informed decisions. AVM Insight can be used to support strategic market analysis, portfolio and market risk projections, and "vicinity" strategies in ways never before possible.

The Mortgage Loan Lifecycle

Prospecting & Marketing · Secondary Marketing · Account & Default Management · Appraisal, Title/Closing · Employment/Income · Point-of-Sale & Origination

CONTACT US TODAY

For more information:
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equifax.com/mortgage/property

EFX®