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Property Data Collector Independence Rules and Lender Responsibilities

- Compliance with Laws and Responsible Lending Practices,
- Responsible for representations and warranties for the life of the loan and must ensure the loan is originated complying with [FHFA directive for Property Data Collector Independence](#)
- Responsible for ensuring that the subject property provides adequate collateral for the mortgage if the transaction involves a property data report.
- Responsible for the selection of the Property Data Collector
- Responsible for the successful submission of the data to Fannie Mae and Freddie Mac's Property Data API prior to loan delivery.
- Responsible for continually evaluating the property data collector's work through the quality control process.

Property Data Collection Independence Standards

The property data collection consists of a visual observation of the interior and exterior areas of the subject property. It must be performed by a trained and vetted property data collector and must adhere to Fannie Mae and Freddie Mac's Property Data Standard.

The standard sets forth the minimum requirements for collection of subject property data including photos and a floor plan conforming to the ANSI Standard as well as the general requirements prohibiting any person to influence or attempt to influence the observation, reporting, result, or review of a property data collection through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or any other manner including but not limited to:

- a. Withholding or threatening to withhold timely full or partial payment to an Independent Party;
- b. Withholding or threatening to withhold future business from, or demoting or terminating or threatening to demote or terminate an Independent Party;
- c. Expressly or impliedly promising future business, promotions, or increased compensation to an Independent Party;
- d. Conditioning the ordering of a property data collection, or the payment of a fee, salary, or bonus on the findings or conclusion of the property data collection;
- e. Providing stock or other financial or non-financial benefits to an Independent Party, or any entity or person related to the Independent Party;
- f. Establishing a list of approved Independent Parties, or adding an Independent Party to an exclusionary list of disapproved Independent Parties designated to perform property data collection assignments for a specific Loan Originator, loan officer, or Mortgage Broker;
- g. Permitting Loan Originators, loan officers, or Mortgage Brokers to select from a list of Independent Parties;
- h. Directing an Independent Party to prepare property data collection using a specific scope of work that is contrary to the defined property data standard;
- i. Any other act or practice that impairs or attempts to impair the independence of the property data collection, including but not limited to directing the Independent Party to conceal or remove content or other relevant information that would impact or alter the results.

Subsequent Property Data Collection Assignments

FLCBank does not permit a subsequent order for another property data collection in connection with the loan unless:

- There are indicators the initial property data collection was factually inaccurate, not credible, or in violation of legal and /or professional standards related to nondiscrimination, and such indicators are clearly and appropriately noted in the Mortgage file, or
- Such subsequent property data collection is done pursuant to fulfill FLCBank's quality control processes or underwriting guidelines, in which case, the quality control reviewer must ensure the most reliable result was selected.

Independent Party Engagement (Retail/Brokered Transactions)

- The ordering process for the Property Data Report is managed by the Appraisal Desk to maintain independence between the property data collector and FLCBank sales, mortgage operations, Mortgage Brokers, Loan Originators, Real Estate Agents function (Restricted Parties).

FLCBank requires non-delegated and correspondent customers to comply with the PDCIR requirements and to provide upon request evidence of their policies and procedures isolating the property data collection process from influence or interference by any Restricted Parties.

Appraisal Desk

- The Appraisal Desk is composed Appraisal Vendor Manager and an Appraisal Specialist who are separate and independent from sales and mortgage origination staff which utilize to manage the designated FLCBank appraisal websites and are primarily tasked to confirm payment, assign and manage orders and to manage the administrative requirements for the Mercury platform payments and assignments.
- They will monitor performance and report issues and concerns to the appropriate manager to ensure the AMCs comply with Property Data Collector's performance, training and vetting through an annual background check.

Property Data Report Ordering

- No fees other than the credit report fee is to be collected and/or the Property Data Report cannot be ordered until at least one borrower signs the Creditors Intent to Proceed unless the report fee is paid by the mortgage loan originator or broker and is not imposed on or paid directly by the consumer. The mortgage loan originator or broker can pay for the Property Data Report prior to ITP and be reimbursed at the time of closing. FLCBank will still require an invoice indicating the broker or branch card was utilized in the transaction.
- Property Data Reports are to be ordered by the Retail LO, Loan Processor or by the Broker via the FLCBank's Loan Origination System. The order then flows through to the Mercury system to be automatically assigned to an AMC. All direct interaction with the vendor is limited to the Appraisal Desk team as only they have access to the Mercury platform.

Payment Processing

FLCBank approved customers are required to request the Property Data Report via Mortgagebot and a link for payment is automatically sent to the borrower when the vendor assigned accepts the appraisal order. Borrowers or any party included in the transaction MUST NOT pay the appraiser directly.

Quality Control Review

Each AMC performs due diligence reviews to all third-party vendors to ensure compliance with regulatory requirements, through annual audits, review of Policies and Procedures, and service level agreements that property data collection vendors for Property Data Reports comply with Property Data Collector Independence Requirements (PDCIR).

The Quality Control Review will include the following:

1. Ensures the property data report was performed by a trained and vetted property data collector and provide evidence of the reviews upon request.
2. Ensures the report adheres to Fannie Mae and Freddie Mac's Property Data Standard for collection of property data including photographs and a floor plan conforming to the ANSI Standard.
3. Ensures after the property data collection is completed the successful submission to Fannie Mae/Freddie Mac Property Data API.

Annual Review and Semi-Annual Certification Review of Property Data Collectors

- **Retail and Brokered Transactions:** The Appraisal Desk performs annual and semi-annual reviews for monitoring and assessing the overall quality of the work performed by the Property Data Collectors utilized by the AMCs in Retail and Brokered transactions. This process includes the review of the AMC most recent quality control report and the completed "Appraisal Management and PDCIR Certification Form" requested from the AMC by the Appraisal Desk, who then remits the results of the review and supporting documents to FLCBank's Quality Control Department.
- **NDC Transactions:** The TPO Administration performs annual and semi-annual reviews for monitoring and assessing the overall quality of the work performed by the Property Data Collectors utilized by the NDC customer and/or through Property Data Collection vendors engaged by the AMC. This process includes the review of the Property Data Collector or the AMC's most recent quality control findings report and the completed "Appraisal Management and PDCIR Certification Form" requested from the NDC by the FLCBank's TPO Administration Department.

Important: TPO Administration will provide during the application process to new NDC customers the "NDC Appraisal Management and Property Data Collector Independence Certification" Form for completion and request a copy of their AMC's most recent quality control findings report and review within 5 business days of receipt.

FLCBank Underwriter Review

The Underwriter must review the Property Data Report to determine collateral acceptability and thus be able to represent and warrant in the absence of an appraisal that the property:

- Does not have safety, soundness, or structural integrity issues.
- Is not in C5 or C6 condition.
- Is not Q6 quality.
- Does not have significant items of incomplete construction or renovation; and
- Meets Fannie Mae's property eligible requirements (see B2-3-01 General Property Eligibility), or Freddie Mac's property eligible requirements (see Freddie Mac Selling Guide 5602.1) based on the AUS selected for the credit decision of the mortgage loan.

The underwriter must also:

1. Review the PDR data set to determine if the subject property meets Fannie Mae or Freddie Mac's eligibility requirements.
2. If the property data collection and/or the photographs in the report evidence a condition requiring an "inspection", the underwriter will condition for an inspection from a qualified professional to determine if repairs are required. Or when the property data collection report and or inspections provided denote the need for repairs, an inspection report completed by the property data collector documenting the repairs were completed by the property data collection will be required.
3. On DU loans, the underwriter must ensure the property data report is obtained after initial DU offer and submitted to Fannie Property Data API to confirm eligibility prior to the Note data.
4. On LPA loans, the underwriter must ensure the property data report is obtained after the initial LPA and must be retained on the final LPA feedback. loan closing.

Subsequent Property Data Collection Assignment Requests

FLCBank cannot order, use, or pay for a subsequent property data collection unless:

- There are indicators the initial property data collection was factually inaccurate, not credible, or in violation of legal and /or professional standards related to nondiscrimination, and such indicators are clearly and appropriately noted in the Mortgage file.
Or
- When the subsequent property data collection is done pursuant to the written requirements established for the pre-funding or post-closing quality control review process, or when warranted by the underwriter so long the most reliable results are selected.

Delivery of Property Data Report

As required by the Appraisal Independence Policy and per Regulation B, all valuations and inspections completed developed in connection with the mortgage are emailed or delivered by mail if no email address was provided upon value acceptance, or three business days before loan closing whichever is earlier by Mortgage Operations. The timing requirement for the property data report delivery may be waived by the borrower(s) as permitted by Regulation B in which case the delivery takes place at or prior to the signing of loan documents.