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 **Working Well with AMCs**

By James Baumberger, President of Synergy Appraisal Services

Here are a few business strategies to help appraisers be more successful working with AMCs including earning higher fees, enjoying preferred property types/assignments, reducing revision requests, saving time, obtaining help and guidance when things go wrong, leveraging regulatory compliance and benefiting from identifying and choosing the responsible AMCs that are worth working with.

The first concept to improve your business results is to understand that appraisers operate a customer service business. Appraisers provide valuation services. Clients will pay more for better service. Customer service requires quality, communication and reliable performance. Without service, there is no demand for quality. Good service can be summed up easily: say what you’ll do and then do it or inform your client promptly if you cannot. Appraisers who are active communicators and deliver reports on time are much more valuable business partners.

Key tip: stop thinking in terms of an appraisal order and START thinking about a long-term mutually profitable business relationship.

You can become the “go to” resource for AMCs that will reciprocate your loyalty. You can look for ways to add value for the AMC and their lender clients. You can differentiate yourself as a better appraiser, in part, by being a professional representative for the client. Many clients say that the appraiser is often the only representative that any borrower ever meets in person.

**ABCs of Service**

Appraisers who add value for AMCs and their lender clients command higher appraisal fees and capture more of the assignments they like to complete. Upon receiving an order, best practice is to promptly perform some cursory property research to determine if it is a typical property or a complex property assignment. If the subject is a typical property valuation, but the fee is too low, do NOT reject the order. Accept the order with Conditions, request an acceptable fee (and extended turn-time if necessary), assure the AMC that you are competent to complete a credible appraisal on-time (if you are), and volunteer to call the contact to schedule the inspection within 24 hours. Many lenders report one of the most important things for appraisers is to call to schedule the inspection within 24 hours. Here is another tip: a positive customer experience for agents and borrowers is much more important to lenders than lower fees. You can charge more and then deliver better service and the orders will keep flowing to you with higher fees.

Conversely, if your initial property research upon receipt of the order reveals a complex property assignment, and you are competent to complete it, do NOT reject the order because the AMC input a typical property fee and a short turn-time. This is your moment to differentiate yourself as an exemplary valuation professional with superior communication skills! Accept the order with Conditions, explain in some detail WHY the subject is a complex property valuation, describe your competency to perform such a complex appraisal with credible results, provide a reliable turn-time, and volunteer to call the contact to schedule the inspection within 24 hours. Lastly, after you’ve established your value to the AMC as a reliable business partner, quote a reasonable fee that rewards you for your good work.

You will also receive intangible benefits from being a “go to” resource for AMCs. If you are a reliable service partner and long-term thinker, AMC staff will treat you with more admiration and even affection. Communications you receive from AMCs will have a friendlier tone. The respect of their staff for you will be reflected in every interaction and they will want to help ensure your job satisfaction. If an AMC does not reciprocate or treat you with the respect you deserve, FIRE THEM! Appraisals themselves can be tough, and life is just too short to work with unpleasant people. Relationships between appraisers and AMCs should help alleviate mortgage lending stress, not add to it.

Undergoing today’s mortgage lending process is often confusing, frustrating, and stressful for borrowers, too. You can help borrowers by calling promptly to schedule, arriving on time and dressed appropriately- by being positive, performing a thorough inspection, accepting information from owners or agents and producing compliant, credible appraisals on-time.

**Compliance**

Understand that any party with an interest in a transaction can ask an appraiser (through the AMC or Lender) to consider additional information and sales- to clarify, explain or support and correct factual errors, typos, etc. One of the most positive aspects of the not-yet-fully-realized customary and reasonable fee provision of Dodd-Frank is the verbiage that complex properties should equate to higher appraisal fees. If an AMC knows you have special expertise with complex properties, you can become their go to expert- for acreage, custom construction, high-performance (green) homes, luxury homes, multi-family or waterfront. You might qualify for elite subpanels. If so, AMCs will call you first for high-profile, better paying assignments. Some clients will gladly pay higher fees for quality.

**AMC’s Responsibility**

What should AMCs do to positively affect the appraisal profession we all love? Ensure compliance- especially with the selection of qualified appraisers. Appraiser selection based solely on the lowest fee or fastest turn-time is strictly prohibited. AMCs must direct more work to appraisers with superior quality, service and communication skills. The best AMCs protect their fee appraisers via the Appraisal Independence Requirements (AIRs). When an over-passionate party (agent, borrower, builder or seller) contacts an appraiser to condemn or attempt to intimidate, the AMC must intercede on the appraiser’s behalf. The client should be informed of the breach and be directed to follow protocols for complaint dispute resolution.

AMCs should perform a quality control function that assists appraisers with an emphasis on professional development. Respectful treatment is job one. AMCs should catch simple errors and obvious inconsistencies, ensure the client’s underwriting guidelines are satisfied, reduce unnecessary revision requests, suggest where clarification or additional explanatory comments can bolster the report development and help protect appraisers against USPAP or state regulatory violations. This is the measure of an AMC worth working for.

Some AMCs provide training at no charge for appraisers via conference calls, meetings, newsletters, and/or webinars. They communicate regulatory changes and compliance updates. Some AMCs also train their clients and agents regarding AIRs and USPAP. In addition, responsible AMCs pay appraisers fast!

Responsible AMCs also perform sales and marketing functions to generate repeat business for appraisers. One of the main things AMCs need from appraisers is to be active communicators regarding access problems, complex properties, possible AIRs violations and for status, status and status.

Appraisers are encouraged to cooperate with reasonable revision requests but unreasonable ones should be escalated to an AMC contact. If the AMC contact does not speak “appraisal,” ask to speak with an appraisal manager or review appraiser to address your concerns.

It is a best practice to assume an AMC is operating in good faith (until you see differently). Another way of putting it is that civility matters. Professional courtesy is best reciprocated- AMC staff are human too. Appraising can still be a relationship business. People do business with people they like. Combine quality, communication and reliable service and many clients will gladly pay you higher fees. You’ll see. Happy appraising!

Excerpted from the Working RE/OREP webinar [Working Well with AMCs.](http://www.workingre.com/working-amcs/)

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