



THE AVERAGE DISTANCE TRAVELED BY APPRAISAL-MANAGEMENT-COMPANY-ASSIGNED APPRAISER IS 13 MILES: TAVMA

— Findings Reconfirm AMC’s Strong Reliance on Local, Independent Appraisers —

PITTSBURGH — November 10, 2009 — The typical driving distance traveled by independent appraisers, retained by the nation’s largest appraisal management companies (AMCs), averages 13 miles in urban and suburban areas this year, according to a new survey conducted by the Title Appraisal Vendor Management Association (TAVMA).

“Our members, the nation’s largest appraisal management companies, track a variety of metrics, including for distances traveled,” said Jeff Schurman, Executive Director of TAVMA. “We polled our AMC members in light of unsubstantiated statements that AMCs send out-of-market appraisers great distances to value properties. Based on what our members are reporting to us that’s simply not the case. Going forward, we will survey and report on average driving distances quarterly.” Schurman added that AMCs typically use one of three methods for controlling how far appraisers travel: Geo-coding; zip code to zip code mapping; and/or order form instructions not to exceed defined distance parameters.

“That an appraiser services a particular area, how often, and how recently are three critical selection criteria that AMCs use in selecting the most appropriate appraiser for an assignment,” said Steve Haslam, CEO, StreetLinks National Appraisal Services. “Does this mean that in Montana or Wyoming, some appraisers aren’t driving further than 13 miles? Of course not. The United States has over 3.5 million square miles of land area and about 60 thousand residential appraisers; a land-to-appraiser ratio of 59:1. The nature of the business is that appraisers sometimes travel outside of their own neighborhood — but that doesn’t mean outside of their sphere of professional expertise. In many markets, our selection criteria divide heavily populated counties into smaller zones that we don’t let appraisers cross.”

Mr. Haslam added, “Remember that as licensed and certified appraisers, the appraisers who work with AMCs are required under their industry standards, known as USPAP, to disclose any lack of knowledge and/or experience before accepting the assignment, and take all steps necessary or appropriate to complete the assignment competently. If they can’t do this they need to turn down the assignment.”

AMCs currently provide approximately 60% of all residential appraisals used in the mortgage industry, and TAVMA’s 40 AMC members together account for more than 80% of this volume. Although some AMCs employ in-house appraisers, most assign orders to local independent appraisers. Schurman added, “When you consider a 2007 national survey reported that 63 percent of the appraisers in the country work with AMCs, it stands to reason that AMCs will have a deep pool of appraisers from which to choose. Plus, the economics of the industry give neither the AMCs nor the appraiser an incentive to go great distances to conduct an appraisal.”

About TAVMA

TAVMA, the Title/Appraisal Vendor Management Association, is a non-profit professional organization that represents more than 75 companies including more than 40 of the largest Appraisal Management Companies (AMCs) with combined market share of 85 percent of the AMC market. TAVMA promotes the vendor management industry and presents its members' positions to government and media, protects its members' rights to do business without unfair and anticompetitive legislation and regulations and provides useful information about issues impacting the real estate settlement services industry. For more information about the organization, visit the website at www.tavma.org.