

Warning – Choose a lender that only orders appraisals from local appraisers to give yourself the best chance of closing your transaction!

Many prospective home buyers these days are having their purchase of their dream home fall apart because of the new appraisal rules. Under HVCC appraisal guidelines lenders must order appraisals through Appraisal Management Companies (AMC's), where in the past loan officers and processors could order them directly from their favorite local appraisers.

Problem #1 - the national AMC's do not pay appraisers their normal fee, (\$400 average). They only pay the appraiser \$175 - \$200. This means that the appraiser has to do fast and quick work on every appraisal they do because they need to do twice as many to maintain their normal income. There is no incentive and no time to work really hard to do the research to deliver a true and honest value. Low appraisals are sometimes the result, and this can cause a deal to blow up.

Problem #2 - The national AMC's often assign appraisers from outside the area of the property being appraised. The appraiser therefore, may or may not be familiar with key local factors that may have a huge influence on the home's value. Low appraisals that result can also cause a deal to fall apart.

What should a buyer do to have the best chance of their purchase closing:

- Choose a lender that has setup their Appraisal Management Company so that the appraisers they use are:
 - Long-time local appraisers
 - Get paid their normal fee for doing a great appraisal
- Cherry Creek Mortgage has uniquely done just that, and as a result we give our buyers the greatest chance of receiving a true and honest appraisal and consequently, the very best opportunity to complete the purchase of their dream home. Our appraisers are all done by local appraisers we have used for the past 15 years, and they are paid their normal fee.