

AUTOMATED VALUATION MODELS WITH TCF

An Automated Valuation Model (AVM) is a computer generated value based off a range of online information and compiled into a single estimate of the property.

Once an AVM has been completed and the estimated value deemed acceptable to the borrower(s), a Property Condition Report (PCR) is required to proceed. This report is completed by an individual who drives by the property to confirm the condition of the exterior – any evidence of renovations, major construction, or large amounts of deferred maintenance could mean TCF will not be able to proceed with the AVM/PCR value and would require a different type of valuation to proceed.

TCF will cover the cost of the AVM and PCR with our \$295 Origination Charge.

An AVM value is not valid unless a PCR is completed.

HOW TO TELL IF THE SUBJECT PROPERTY QUALIFIES

If the Appraisal Questionnaire is completed and indicates a desktop appraisal is applicable, an AVM can be ordered first to quickly generate a value. If the value and an acceptable FSD score generate, the RLS will provide the option of accepting the AVM value and go on to order a PCR.

The following is not accepted:

- files where the TCF line is over \$250,000
- total exposure (CLTV) over \$899,900
- 2nd homes/vacation homes
- properties with more than one unit
- properties that have been listed for sale in the past 6 months
- properties currently under construction
- properties that have two or more parcels with separate PIDs
- waterfront properties – lake, river, creek, ocean frontages
- log homes, earth or dome homes
- properties built in the past 12 months

If an AVM was ordered but did not generate a value or generated an FSD score that is not within TCF guidelines, a desktop appraisal can still be ordered if the property qualifies.

TCF will automatically order an AVM on standalone (no 1st mortgage closed in the past 90 days) that includes a completed Appraisal Questionnaire that qualifies for a desktop appraisal when submitted.

If a completed Questionnaire is sent in as a trailing document, the RLS will order the AVM.

OTHER INSTANCES WHERE AN AVM CAN BE ORDERED

If the file is a piggyback delayed (1st mortgage closed within the past 90 days) that had a Property Inspection Waiver (PIW) and would qualify for a desktop appraisal, an AVM can be ordered first to establish a value.