

Comp Check Agreement Cover Letter Example

(text can also used as an email cover ltr for attachments)

To:

From:

Date:

Subject: Comp Check Appraisal Agreement Cover Letter

The attached agreement describes what we can do and what our limitations are in a Comp Check Appraisal. It puts us all on the same page. I have included my resume, including areas of coverage, an example copy of the certification and a copy of my license (redacted).

The general purpose (intended use) of a "Comp Check Appraisal" is to aid you in making an informed business decision. The attached agreement covers us with the State and Feds. Its not meant to be complex or intimidating but is necessary this first time around. It is a one time thing that keeps your appraiser legal besides disclosing how far one of these thing really goes. Bear in mind that no matter what terminology we use ("Comp Check", "preliminary estimate", "Oh just an Idea") it is considered by the licensing authorities to be an "Appraisal" which must comply with all the ethics, USPAP, FIRREA, Federal and State regulations and reporting requirements -- and, during an audit, will be treated as an "Appraisal". When a person carries a License, compliance is mandatory or their license is in jeopardy.

The research that we perform in doing a Comp Check Appraisal is essentially an abbreviated form of the desk research that we would ordinarily do prior to leaving the office to inspect the property. Often it is time well spent because we must do these things in preparation to do a full appraisal anyway. The additional time is taken in identifying, researching, analyzing, certifying, collating and filing If a "Comp Check Appraisal" is as far as it ends up going. This process takes one to two hours depending on the job.

Therefore, in the spirit of cooperation, I ask that requests for this service not be for simply gathering data, "shopping" appraisers and the like. It takes some time and effort, but as a form of customer service we are glad to do it for legitimate business purposes. I would also ask that requests for Comp Check Appraisals be ordered for applicants who have expressed a solid interest in your products and whose credit worthiness has been properly pre qualified.

Just a tip: Get in the habit of asking your applicants about the home. Things that don't show up in the "Public Record". Ask pointed questions about the condition of their home and the neighborhood. They are often proud of their homes and will respond enthusiastically about what they have done to their home (new carpets, paint, upgraded kitchens and baths etc.) "What style is it? How many floors and do you have a dry basement? How old is the roof? What kind of heat system do you have? (....and, for refinances, the all important) What have you done to the home since you bought it?" You'll find some common personal ground here. Often they will respond positively.

Without seeing the home, I can't go much farther than high, low and average value figures in a Comp Check Appraisal. What the answers to the above questions can help tell us is which side of "average" is their home tends to be on.

One final word. Even with all this front end work, not all appraisals are going make it. You and I can only do so much. This process of doing a good solid Comp Check Appraisal may save money for your applicant. It gets us quite a bit farther down the road, but, inevitably, there will come a time when a full appraisal comes in lower than is necessary to support a proposed loan and we will both be better off spending our time and energy elsewhere. Comp Check Appraisals stand on their own, they do not guarantee a value opinion on a full appraisal.

Thanks, _____

Ph# _____