



Subject: CIM #29 – Independent Valuations – Disclosures	
Impacted Departments: Disclosures, Transaction Managers, Underwriters, Loan Set Up, Funders, Appraisers	Total Pages: 2
Effective Date: February 22, 2018	

Purpose

Generally, CSC requires that valuations be obtained in a TRID-compliant manner¹ when those valuations are obtained for the purposes of submitting a loan to CSC. However, instances may arise where a borrower or a broker obtains a valuation which is not related to a CSC loan application (“Independent Valuation”). “In a closed-end consumer transaction secured by real property...the creditor shall provide the consumer with good faith estimates ...” of “... all loan costs *associated* with the transaction.” See *12 CFR § 1026.19 (e) 12 CFR 1026.37(f)*. If an Independent Valuation is acceptable for CSC’s underwriting purposes, then CSC will not require proof that the Independent Valuation was obtained in a TRID-compliant manner because the costs associated with Independent Valuations are not costs associated with CSC’s loan transactions.

A valuation will be considered an Independent Valuation if: 1) It does not have CSC’s name on it; 2) was obtained for purposes other than for submitting an application to CSC; and 3) was obtained prior to submission to CSC.

Policy

Proof of TRID compliance will not be required for Independent Valuations.

Impacted Departments and Personnel

Disclosure Department – Will continue to disclose appraisal costs at initial disclosure and will issue a re-disclosure to account for any additional valuation deemed necessary by underwriting.

Underwriters – The underwriting department will have to confirm the additional cost if a secondary appraisal (if needed) and note the conversation log in BytePro when the loan is tasked for redisclosure after the appraisal is reviewed.

Funders – Will be required to account for all the appraisals that were obtained as part of the transaction regardless if they were paid for prior to the application submittal to CSC, and note them on the CD.

¹ A creditor may not impose any fee on a consumer in connection with a consumer’s transaction until the consumer has received an LE and indicated an intent to proceed. 12 CFR Part 1026.19(e)(2)(i)(A).

Revision Date	Details	Compliance Approved
9/18/2017	Original draft	2/6/2018
12/20/2017	Revisions made	2/6/2018
2/6/2018	Further revisions made	2/6/2018
2/14/2018	Final revisions made	2/14/2018
2/15/2018	Distributed for Committee Vote	2/15/2018
2/22/2018	Approved by Vote	2/22/2018



Subject: CIM #29.1 – Independent Valuations – Disclosures - Addendum	
Impacted Departments: Disclosures, Transaction Managers, Underwriters, Loan Set Up, Funders, Appraisers	Total Pages: 1
Effective Date: April 18, 2018	

Purpose

This addendum to CIM 29 is intended to clarify and amend CIM 29 but does not supersede it.

CIM 29 states that a valuation is deemed to be an “Independent Valuation” if: 1) It does not have CSC’s name on it; 2) The Independent Valuation was obtained for purposes other than submitting an application to CSC; and 3) The Independent Valuation was obtained prior to submission to CSC. Questions regarding criteria # 2 above, whether a valuation was obtained for purposes of submitting a loan application to CSC, have arisen in the implementation of CIM 29. The purpose of this amendment is to establish guidance for when a valuation shall be deemed obtained for the purposes of submitting an application to CSC.

Procedure

In order to determine whether a valuation was obtained for the purpose of submitting a loan application to CSC, the following factors will be considered:

1. In cases where the valuation was obtained less than thirty (30) days prior to submitting a loan application to CSC, it will be presumed to have been obtained for the purposes of submitting a loan application for CSC’s consideration.
 - a. Note: If the valuation was obtained within this time frame, but lists another lender (not the broker), this presumption will be disregarded.
2. In cases where the valuation was obtained more than thirty (30) days prior to submitting the loan application to CSC, it will be presumed not to have been obtained for the purposes of submitting the loan for CSC’s consideration.

Impacted Departments and Personnel

Disclosure Department – Will continue to disclose appraisal costs at initial disclosure and will issue a re-disclosure to account for any additional valuation deemed necessary by underwriting.

Underwriters – The underwriting department will have to confirm the additional cost if a secondary appraisal (if needed) and note the conversation log in BytePro when the loan is tasked for redisclosure after the appraisal is reviewed.

Funders – Will be required to account for all the appraisals that were obtained as part of the transaction regardless if they were paid for prior to the application submittal to CSC and note them on the CD.

Revision Date	Details	Compliance Approved
4/5/2018	Addendum Drafted	4/5/2018
4/16/2018	Distributed for Vote	4/16/2018
4/18/2018	Approved	4/18/2018