



BULLETIN C09-07-01

DATE: July 17, 2009

TO: All Correspondent Lenders

FROM: Correspondent Lending Division

RE: Application of Home Valuation Code of Conduct (HVCC)

Scope: Compliance with Home Valuation Code of Conduct

Purpose: On May 1, 2009, Fannie Mae and Freddie Mac will begin to enforce the Home Valuation Code of Conduct to insure the independence of the appraiser and establishes requirements governing the selection of the appraiser, ordering of the appraisal, compensation and conflicts of interest in the appraisal process.

Procedure: This procedure is applicable for all Conventional (including Jumbo) and NOT USDA, FHA, or VA appraisals for loans with applications dated May 1, 2009 and after.

We have recently clarified with the agencies the correct procedure for "Borrower Receipt of Appraisal". Per the Code, a copy of the appraisal report must be provided to the borrower(s) upon completion and no less than three (3) business days prior to closing. The code also permits the borrower(s) to waive this requirement if the appraisal is, for some valid reason, not available three (3) business days prior to closing. Note that business days are exclusive of weekends (both days) and Holidays.

We have determined that the applicant's receipt of the appraisal upon completion and documenting the methodology of provision and date of this activity are the requirements in keeping to within the spirit of the Code. Below is a timetable based on the method of delivery:

- US Mail: Provide appraisal eight (8) business days prior to closing.
- Overnight Mail: Provide appraisal five (5) business days prior to closing.
- E-Mail, Fax, or Hand Delivery: Provide appraisal four (4) business days prior to closing.

A signed certification by the Correspondent Lender will be required in every Conventional closed loan package indicating the date of the appraisal, the date of delivery and the method of delivery. This procedure is effective immediately. Please adhere to the timeframes listed above based on the method of delivery.

An applicant may also waive their right to a copy of their appraisal in the time frame mandated by the Code. This waiver form must be executed prior to closing and provided in the loan file. The date of the appraisal must support the requirement for the waiver. The appraisal should be provided to the borrower upon receipt with the corresponding Certification completed by the Correspondent Lender. The appraisal may be provided to the customer at closing on an exception basis only. The Certification of Delivery Method at Closing will be required in the closing package and must be executed by the borrower(s) prior to funding the loan.

The use of a “blanket” waiver is not permitted. All borrowers obtaining loans with products that must comply with HVCC must obtain a copy of their appraisal in advance of their closing unless the situation meets the criteria noted above and the appropriate steps are followed to comply with the Code and this Procedure.

We are attaching a sample Appraisal Report Delivery Disclosure, Borrower Acknowledgement of Appraisal Delivery, and an HVCC Compliance Certification for your use. All Conventional closed loan files must contain the Acknowledgement of Appraisal Delivery & HVCC Compliance Certification prior to Wintrust purchasing the loan.

These documents will also be posted on our website shortly.

If you have any questions regarding the procedure, please feel free to contact the Correspondent Lending Division at correspondent@wintrustmortgage.com.

We thank you for your continued support in our Correspondent program.