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## Restoring appraisers to the center of a R.E. transaction

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Twenty-five years ago, it took four to five weeks to close a residential mortgage loan transaction. On the day the application was made, an appraisal was ordered. It would take the appraiser five to ten days to complete and return the appraisal. However, when the appraisal was delivered, the loan officer called the borrower and the mortgage would be based upon the appraiser's estimate of value. The appraiser was at the center of the transaction, providing guidance for all parties.

Today, the entire mortgage lending process takes five to seven days. The appraisal is still ordered on day one, and the appraiser, given efficiencies of technology, can respond by day four, five or six. However, by the time the appraiser responds, everyone - the loan officer, the borrower, often even the underwriter - has decided what they will lend, borrow or underwrite! The appraiser has become the bogeyman, the person who "torpedoes the deal" when they "don't make value."

Our objective at Zaio Inc. is to move the appraiser again to the front of the transaction.

If a Zaio zone appraiser has already estimated USPAP-compliant values for virtually all of the residential properties in their Zaio zone, they will be at the front of the transaction, and at every step of the mortgage process from origination to secondary market sale. Further, with values updated monthly based on current sales and listing data, the Zaio zone appraiser has a rich data asset that will be of interest to a whole range of clients - the secondary market, government agencies, insurance companies, the assessment community, etc.

It is this latter aspect that really brings the value proposition for appraisers in the Zaio network home:

The Zaio concept lets an appraiser convert their extensive experience and market knowledge into an asset with an ongoing revenue stream that reinforces their current appraisal business. It is an investment that every appraiser committed to the next ten or more years in the profession should strongly consider.

What is the Zaio concept? It is a means for appraisers to efficiently complete market research on all properties and develop consistent, accurate value estimates in advance of the appraisal order. By taking care of the photography and public records and other data matching all at once, the appraiser can effectively rate every property in the market. The appraiser then ranks those properties relative to all the sales that have occurred, resulting in a sound, defensible value estimate before the order arrives...thus offering an appraisal immediately to meet client needs and returning the appraiser to the front of the mortgage lending process.

Zaio now has over 1,200 zones sold throughout the U.S.- including over 80 in the northeastern U.S. - and over 400 appraisers are actively engaged in building the Zaio network nationwide. Photography is underway or complete in over three fourths of the sold zones, and data matching is in place on half of those, with the remaining zones to be brought live for appraisers over the next three months. This idea is becoming a reality across the country.

We are proud to have the opportunity to be the residential program sponsor and to exhibit at the

Appraiser's Expo, sponsored by the Massachusetts Board of Real Estate Appraisers (MBREA) and the Massachusetts Chapter of the Appraisal Institute (MAI). We look forward to an opportunity to talk directly with interested appraisers at the Expo on November 5.

Meanwhile, for more information, please visit our website at [www.zaio.com](http://www.zaio.com) or contact Dave Garby ([dgarby@zaio.com](mailto:dgarby@zaio.com)) or myself at ([johnr@zaio.com](mailto:johnr@zaio.com)).

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