



APPRAISER SIGNATORY AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into on this _____ day of _____ 20____ by and between The National Community Reinvestment Coalition dba The Center for Responsible Appraisals and Valuations (hereinafter referred to as the "Center") and _____ ("Appraiser").

WHEREAS, the parties hereto acknowledge the need for voluntary national, industrywide standards relating to the valuation of residential real property that acts as collateral for mortgage lending transactions; being specific standards that supplement and augment those general regulations contained in various federal and state laws, rules and regulations; and

WHEREAS, the parties hereto acknowledge the need for voluntary agreements to comply with such standards by various entities within the residential real estate and mortgage lending industries; and

WHEREAS, the parties acknowledge that the publication of a list of industry Signatories which agree to voluntarily be bound by standards equal to and above those set by law, and are contractually committed to performing mortgage lending, valuation and appraisals within the standards set forth herein; and the inclusion of an Appraiser as a signatory thereof, is of substantial economic benefit to such an Appraiser; and

WHEREAS, the parties wish to participate in dispute resolution mechanisms, wherein Signatories to agreements with the Center and others would submit to review, mediation and arbitration of disputes between them arising under this and other, similar, Center agreements with lenders, valuation management firms, real estate brokers, appraisers, Government Sponsored Enterprises ("GSEs"), secondary market mortgage buyers and others within the residential real estate and lending industries; and

WHEREAS, the Appraiser represents and acknowledges that it is an appraisal firm that retains, hires or otherwise contracts with appraisers licensed and certified under their appropriate state law, to provide independent fee appraisals, or that, if an independent sole Signatory, he/she in this same manner (the use of the term Appraiser herein shall signify both the individual appraiser that is the signatory hereunder, who owns the appraisal firm, and any and all appraisers that provide appraisals or valuations hereunder for or on behalf of the appraisal firm);

IT IS AGREED:

1. Code of Conduct. The Center has defined certain activities and actions that, if engaged in by a person or entity involved in the residential real estate industry, would most likely result in the improper increase or decrease of appraisals or valuations conducted pursuant to residential mortgage lending. Any person or entity who violates the Code of Conduct may have a complaint filed against it by a Signatory. An action of Improper Influence and/or Improper Retaliation (as each are defined below) would result in a violation of the Code of Conduct.

1.1 "Improper Influence" is defined as any action or actions that, in consideration of the circumstances, would reasonably be expected, on any appraisal or valuation, group of appraisals or valuations, or future appraisals or valuations, to increase or decrease an appraiser's, appraisers', valuation management firm or firms, valuation result or results other than to achieve the most accurate and honest value. (Hereinafter sometimes collectively and separately referred to as "Improper Retaliation"). It also includes any action that is intended to influence another person or entity to Improperly Influence a valuation or

appraisal. This specifically includes any direct, indirect or threatened Improper Retaliation as described below, including, but not limited to:

- 1.1.1 reducing the amount of or remuneration for valuation services;
 - 1.1.2 changing the payment terms for valuation services;
 - 1.1.3 in any method penalizing or harming the business of any valuation professional;
 - 1.1.4 affecting any terms of employment, compensation, promotion opportunities of any employee, agent or contractor;
 - 1.1.5 offering any reward of additional business or greater remuneration for business;
 - 1.1.6 cancellation of a valuation order;
 - 1.1.7 in any other direct or indirect manner coercing a valuation professional to breach his or her professional Code of Ethics in order to obtain valuation results desired by any other person or entity.
- 1.2 Improper Influence shall also occur when, at such point as the appraiser or valuation manager feels uncomfortable with further debate or communication with any other person or entity as to the valuation result, and communicates same; that other person or entity does not cease such communication and allow the appraiser or valuation manager to complete the valuation or appraisal in such manner as the appraiser or valuation manager, in its sole discretion, feels is appropriate; subject however to the following Safe Harbor Practice as contained within Section 1.5 hereof.
- 1.3 Improper influence, however, specifically does not include the following ("Permitted Activities"):
- 1.3.1 The submission to the appraiser of comparable sales, pending sales or listings that, in good faith, is believed will lead to a more accurate value conclusion
 - 1.3.2 A discussion with an appraiser as to market trends, comparable adjustments, the utilization of comparables or other matters that are included in the appraisal or valuation that, in good faith, is reasonably believed will lead to a more accurate value conclusion, provided, however, that the person in such discussion does not, along with the permitted activities, directly, indirectly or by threat, Improperly Influence the appraiser or valuation manager as described above.
- 1.4 It is acknowledged and understood that the opinion held by parties who solicit and receive appraisals and valuations, concerning the performance of those who perform those functions is their right and privilege. It is further acknowledged that the choice of appraisers and decision as to the appraiser's performance may often be influenced by the opinion of others, including a Lender, Broker, Valuation Management Firm or other similar persons or entities. It is not improper for such persons or entities to express an opinion as to the appraiser's performance or conduct provided that such expression does not, in any way, result in:
- 1.4.1 An appraiser improperly modifying an appraisal result; or
 - 1.4.2 A lender choosing to use or not to use an appraiser based upon its value conclusions not being sufficiently high to meet the desires of the agent or customer
- 1.5 Safe Harbor. If an appraiser, appraisal management firm and lender cannot, in good faith and in conformity with the Code of Conduct set forth under the Center agreements, agree as to the result of any valuation, any of them may submit same to review by the Center, which shall review the appraisal or evaluation along with any supporting facts or documentation and shall set forth its opinion as to the correctness, accuracy and compliance of the valuation. The results of that review may be appropriately considered by

the appraiser who must thereupon decide upon the result of the valuation in full compliance with USPAP. If, however, the appraiser fails to conform its opinion of value with the result of the review process, then the Lender shall be able to consider that result, along with other lawful factors, in determining the appropriateness of the performance of the appraiser or appraisal management firm as regards future business, without same being considered Improper Influence or Retaliation hereunder. The cost of said review shall be borne by any lender that is a Signatory. If the Lender is not a Signatory the parties may split the cost thereof between them in any manner they desire. The cost shall be set yearly and, for year 2005 shall be 125 dollars. The submission shall be made through the Center website on the basis set forth thereon

2. Duties and Obligations of Appraiser.

- 2.1 The Appraiser agrees that it will perform all appraisals and valuations (i) in total and complete compliance with USPAP and all federal, state and local laws, rules and regulations and guidelines, and (ii) in a truthful, honest, fully independent, and workmanlike manner consistent with the appraiser's professional training, code of ethics and USPAP
- 2.2 At all times, it and all persons creating or supplying appraisals hereunder for the Appraiser, shall be fully licensed and certified independent fee appraisers under applicable state law.
- 2.3 The Appraiser agrees that it, and all appraisers employed, retained or hired by it, shall agree to the voluntary Code of Conduct contained herein.
- 2.4 The Appraiser agrees that, in the event any person or entity attempts to or does (i) Improperly Influence the results of any valuation or appraisal, singularly or collectively, as defined hereunder (ii) violate the provisions of FIRREA or other federal or state law or (iii) Improperly Retaliate against an appraiser as defined hereunder; it shall refuse to be complicit in such activity and shall communicate the details of such occurrence or occurrences via the Center's Website at www.responsibleappraisal.com. The Appraiser agrees to honestly, fully, accurately and completely disclose the facts of what occurred and to cooperate fully in any investigation of same by the Center, its agents or any state or federal authority. The anonymity of the Appraiser shall be kept confidential by the Center through reasonable means. Such notice shall not be deemed a complaint under the terms of section 4 hereof and shall be dealt with by the Center, as it shall deem appropriate under the circumstances.
- 2.5 The Appraiser agrees that, in no instance, will it allow the attempted Improper Influence of any person or entity to alter, change or amend any opinion of value of any real property unless to do so would yield a more accurate value conclusion under USPAP.
- 2.6 The Appraiser agrees that any information submitted to the Center shall be accurate and truthful and that any claim (i) of violation by any Signatory to a Center agreement or (ii) that any person or entity having unlawfully or improperly attempted to influence an appraisal result or retaliate against any Signatory to a Center agreement, as made hereunder, shall be, as well, accurate and truthful.
- 2.7 If a complaint is filed against the Appraiser, Appraiser agrees to fully follow the alternative dispute provisions contained herein, under rules set by the Center.

3. Valuation Reviews. If any Signatory Appraiser or Valuation Manager, on any appraisal or valuation assignment, cannot, in good faith and in full compliance with this agreement and under law, reach an agreement as to the value result of an appraisal or other valuation, with a Signatory Lender or Valuation Manager, or with any other lender or Valuation Manager which agrees to submit the valuation for review hereunder, any Signatory may submit same for the Center's appraisal review which, if a Signatory Lender, shall be paid for by the Lender. If not a Signatory Lender, the parties shall reasonably decide how the cost of the review shall be split between them. The cost thereof shall be set yearly by the Center. The cost for year 2006 and 2007 is \$125. Such review shall be in a manner and shall follow such procedures as is, at that time, set by the Center and shall be conducted both on line and by phone as directed by the Center. The Appraiser shall give due consideration to the results of the review in making his or her determination of

a value result. The Appraiser acknowledges that, under USPAP guidelines, it must exercise final authority in creating its valuation result but that the Lender submitting the matter for review shall not be deemed in breach of its Code of Conduct with the Center if it appropriately considers the result of the Center's review in terms of the Appraiser's performance and future business.

4. The Center's Duties, Obligations and Functions. Alternative Dispute Resolution.

- 4.1 A Center Signatory Appraiser may complain of Improper Influence or Improper Retaliation by any other person or entity and the Center shall provide for alternative dispute resolution between such Claimant and the Respondent by and under the rules of the American Arbitration Association, specifically The Supplementary Procedures for Resolution of Disputes (SPRD) for the Center. Other Center Signatories may, as well, complain of violation by the Appraiser of its agreements hereunder. Any Claimant may file a complaint requesting online Informal Conciliation through the Center's relationship with the American Arbitration Association. If that fails to provide a satisfactory result, either party may request mediation provided by the Center, through the American Arbitration Association. The Claimant may demand arbitration at any time. The Center shall charge fees for such services, which shall be set and published yearly. The cost of the online Informal Conciliation shall be borne by the Claimant. The cost of mediation and arbitration shall be split equally between the Claimant and Respondents. The cost of the online Informal Conciliation, mediation and arbitration are attached hereto as Exhibit A and which may be revised, from time to time by the Center, which shall publish same on its Website. Such cost (Fee Chart) shall be paid by acceptable credit card.
- 4.2 If the Claimant submits the matter for arbitration, and upon such submission, the matter, including the arbitrability thereof, shall be conducted by and under the rules of the American Arbitration Association, specifically under the Supplementary Procedures for Resolution of Disputes (SPRD) for the Center, the results of which shall be final and binding upon the parties and enforceable by any court of competent jurisdiction. The parties shall, initially, split the projected fees of the proceeding one half to the Claimant and one half to the Respondent. The full and complete cost of such arbitration proceeding, along with all costs and fees, excluding attorney fees, however, shall be ultimately borne by the party which loses the arbitration, or, if there is an inconclusive decision, in such a manner as the Arbitrator, in its sole discretion, decides is equitable. The arbitrator shall not have the authority to award damages to any party to the arbitration other than the amount of any unpaid valuations at question. It shall, however, have authority to find that there has been a violation of those sections of any Center agreement prohibiting Improper Influence or Retaliation, or a breach by the Appraiser hereunder, and order injunctive or other equitable relief to the Claimant. If the Claimant compels the result of the arbitration to be enforced by a court of law, all costs and fees thereof, including reasonable attorney fees only in regular arbitration shall be awarded to the prevailing party by such court of law.
- 4.3 Any Signatory lender, Valuation Management firm or Loan Broker will agree that all disputes reported against it shall be handled confidentially only by the offices of its Chief Compliance Officer or General Counsel to avoid possible retaliation against a Claimant. Under no circumstances may it retaliate against a Claimant for having filed a complaint against it.
- 4.4 The Center shall publish, at least quarterly, a list of those lenders, appraisers, secondary market buyers, GSEs, mortgage insurers, real estate brokers and others who are then currently Signatories to compliance agreements and those who have refused to enter such agreements and have had unresolved complaints filed by Signatories against it, as well as any lender or other Signatory whose Signatory status has been terminated by the Center under the terms of its agreement.
- 4.5 It is understood and agreed that the Center shall have the right to outsource any portions of its duties and obligations hereunder to appropriate third parties upon such terms and conditions as they, in their sole discretion, deem advisable. If the Center has outsourced to any entity that is a Signatory, or which is an affiliate of a Signatory, and upon complaint

against such an entity by a Signatory, then any arbitration by or against such entity under Section 4 hereof, shall be conducted by and under the rules of the Center For Public Resources (rather than the American Arbitration Association) in identical fashion to those under section 4 hereof.

- 4.6 The Center shall allow the use of the Terms "Center Signatory Appraiser" on all of the Appraiser's literature, printing, advertising and promotional materials. The Center shall attempt to educate the public as to the import of utilizing signatory Appraisers and other signatories. Toward that end, the Center shall utilize approximately \$150 of the Appraiser's yearly fee toward such public promotion.
- 4.7 The Center shall, as well, utilize reasonable efforts to obtain Signatory status of lenders, appraisal management firms, real estate brokers, secondary market buyers and others within the residential real estate and lending industries. The Center shall, further, attempt to influence lenders and valuation management firms to utilize appraisers that are then Signatories of Center agreements.
- 4.8 Any Center Signatory may file a claim of Improper Influence or Improper Retaliation, not only against a Signatory, but, as well, against any other non-Signatory person or entity. The cost of that claim shall be borne by the Claimant and shall be published yearly. If any person or entity attempting Improper Influence or Improper Retaliation is not a Signatory, the Center shall contact the person or entity and notify them that a complaint was filed against them. If they refuse to engage the dispute resolution mechanism of the Center, the Center shall notify such person or entity that the complaint will be filed with the appropriate federal, state and local authorities. At such time, the matter, including all evidence submitted by the appraiser or other persons or entities, shall be submitted to the appropriate authorities. The Center's published list of Signatories and those persons or entities refusing to become Signatories shall be noted that a complaint against the non-Signatory has been made and adding that to the total number of such complaints that have not been successfully handled under the dispute mechanisms. If the person or entity agrees to the dispute mechanism then the matter shall be handled in the manner set forth herein for Signatories. The cost of online Informal Conciliation shall be included within the filing fee noted above, however, the cost of mediation and arbitration shall be separately handled in the manner provided herein.
- 4.9 The Center shall maintain as confidential such information as it receives from Signatories regarding reported instances of Improper Influence or Improper Retaliation and shall keep the identity of the Claimant anonymous unless and until either: (a) the Claimant has agreed to remove such constraint or (b) the Respondent has become a Signatory agreeing to non retaliation or has agreed to the dispute resolution, including an agreement not to retaliate or (c) directed to divulge such information by governmental action.

5. Default.

- 5.1.1 If the Center, in good faith, has reason to believe that the Signatory Appraiser is in material breach of this Agreement, then upon the Center's own action, the Center may allege that the Appraiser is in material breach of this agreement and may be terminated as a Signatory. The Center shall exercise reasonableness and good faith in attempting to obtain a resolution of the matter. The Center shall have authority to speak to employees, agents and contractors of the parties to the dispute and request the production of documents germane thereto. All Signatories agree that they shall fully cooperate with such requests.
- 5.1.2 In any determination as to the default of a Signatory to its Center agreement, the Center shall take into consideration:
 - (i) The egregiousness of the circumstances and the seriousness of the breach;

- (ii) The possibility that any alleged breach was not intentional;
- (iii) Whether the Signatory's breach was part of a pattern of Improper Conduct or breaches of its Center agreements;
- (iv) Whether the Signatory is likely to cure its violation or violations of this Agreement;
- (v) The likelihood that there will be continued violations of this Agreement.

5.2 If, in its reasonable discretion, the Center is unable to reach an acceptable resolution of the matters in this Section 5 with the Appraiser, it shall notify the Appraiser that it is terminating its Signatory status. The Appraiser may, within (thirty) 30 days, submit the same to arbitration by and under the rules of the Center For Public Resources, the results of which are final and binding and enforceable by any court of competent jurisdiction. The initial estimated fees of that proceeding shall be paid by the Appraiser. The Arbitrator is, however, directed to and shall, along with determining whether the termination of Signatory status was proper hereunder, award all costs and fees of such arbitration proceeding, including reasonable attorney fees of both parties, to the prevailing party, or, if there is an inconclusive decision, in such manner as the Arbitrator, in its sole discretion, decides is equitable. The arbitrator shall not have the authority to award damages to any party to the arbitration other than costs. It shall, however, have authority to enter an order holding that there has or has not been a material breach of this agreement, allowing termination of the Signatory status of the Appraiser.

6. Definitions.

- 6.1 Accounting Firm – A “Big Four” Certified Public Accounting Firm or a Firm of similar presence in the industry.
- 6.2 ACPA. Approved Certified Public Accountant is one, which has been approved by the Center and is listed as an Approved CPA.
- 6.3 AVME. Appraisal/Valuation Management Firm within the mortgage lending industry for at least ten years prior to the signing of Signatory Agreement.
- 6.4 FIRREA. Financial Institutions Reform, Recovery and Enforcement Act of 1989
- 6.5 GSEs. Government Sponsored Enterprises
- 6.6 Signatory. Any appraiser, lender, real estate broker, appraisal management company, Government Sponsored Entity (GSE) who have become members of the Center by entering in a Signatory Agreement with the Center.
- 6.7 SVMF. A Signatory Valuation Management Firm is any Valuation Management Firm that is then currently a Signatory to an agreement with the Center and has not been terminated therefrom.
- 6.8 SVP. A Signatory Valuation Personnel is any Valuation Personnel who:
 - (i) Has signed and is, at such time, in compliance with a SVP compliance agreement.
 - (ii) Has passed the necessary compliance course offered through the Center.
 - (iii) Does not have any component of compensation based on loan production or any measurable that is directly or indirectly based on the results of valuations meeting customer desires for inflated valuations.
 - (iv) Agrees to and does not attempt to Improperly Influence and does not attempt to Improperly Retaliate against any Signatory.
 - (v) Agrees to and does notify the Center of any person or entity which inappropriately attempts to Improperly Influence a valuation result or Improperly Retaliate.

- 6.9 SPRD. Supplementary Procedures for Resolution of Disputes are specific rules and procedures along with fees, added to the AAA Commercial Arbitration Rules from the special features of the Center for Responsible Appraisals and Valuations Alternative Dispute Resolution (ADR).
- 6.10 USPAP. Uniform Standards of Professional Appraisal Practice.
- 6.11 VMF. A Valuation Management Firm is any entity, other than a Mortgage Lender, Mortgage Broker, or Mortgage Originator; or employees thereof, or an appraisal firm itself, which or who, for or on behalf of, or in joint venture with a Lender, performs any of the Valuation Functions.
- 6.12 Valuation Personnel. Valuation Personnel are any employees, agents or contractors of the VMF who perform any of the following activities, jobs and responsibilities (sometimes collectively referenced herein as "Valuation Functions") for or on behalf of the VMF including:
- (i) Choosing, deciding upon, organizing, prioritizing or otherwise influencing the appraisers, other valuation management firms or valuation professionals (referred to collectively as "valuation professionals") that may be used on residential real estate loans made, purchased or funded by any Lender ("the slate").
 - (ii) Adding valuation professionals to the slate.
 - (iii) Removing valuation professionals from the slate.
 - (iv) Ordering valuations.
 - (v) Managing valuations and communicating with appraisers.
 - (vi) Impacting the amount of, or price of valuations for an appraiser or valuation supplier.
 - (vii) Choosing or impacting the type of valuation used.
 - (viii) Communications regarding the result of the valuation with the appraiser and handling of appeals of the valuation result.
 - (ix) Reviewing the valuation.
 - (x) Auditing the valuation or the valuation process.
- 6.13 The Center Signatory Appraiser or the Center Signatory Valuation Management Firm shall mean any appraiser or Appraisal/Valuation Management Firm, as is, then, a Signatory to a Center Compliance Agreement.

7. Other Terms.

- 7.1 This Agreement shall be in force and effect for one year following the date hereof. The Agreement shall automatically renew for successive one year terms thereafter unless notice is given by the party desiring to terminate, at least 90 days prior to the anniversary date. Either party may terminate upon 90 days prior written notice.
- 7.2 The only remedy of either party, at law or in equity, for a breach or default in the performance hereof is termination as set forth herein. THE PARTIES SPECIFICALLY AGREE THAT THEY EACH WAIVE ALL DAMAGES OR RELIEF OF ANY SORT, ACTUAL, CONSEQUENTIAL OR OTHERWISE AND AT LAW OR IN EQUITY BASED UPON THIS AGREEMENT OR THE BREACH OR DEFAULT THEREOF AND WAIVE ANY CLAIM, CAUSE OF ACTION OR DAMAGES RESULTING FROM THE ALLEGATIONS OF ANY SIGNATORY RECEIVED OR MADE BY THE CENTER. SUCH WAIVER SHALL BE APPLICABLE TO AND RUN TO THE BENEFIT OF, ANY ENTITY OUTSOURCING THE DUTIES OF THE CENTER HEREUNDER.

- 7.3 If the acts or omissions which lead to a default or breach under this Agreement by a Signatory Appraiser are, as well, a violation of any rule, regulation, law or create a claim at law or in equity, against any person or entity, the resolution of disputes hereunder shall in no manner be deemed to waive any right or duty of any party to pursue any claim or right against the defaulting, or allegedly defaulting party.
- 7.4 If any provision or provisions of this Agreement shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and any arbitrator or court shall attempt to enforce such provisions to the fullest extent of the law in a manner consistent with the intent evidenced herein.
- 7.5 Unless the law provides to the contrary, the Alternative Dispute Resolution (ADR) process may proceed in the absence of any party or representative who, after due notice, fails to be present or fails to obtain a postponement. An award shall be made solely on the default of a party. The neutral, if applicable, shall require the party who is present to submit such evidence as the neutral may require for the making of an award.

8. Governing Law. All questions concerning this Agreement, its construction, and the rights and liabilities of the parties hereto shall be interpreted and enforced in accordance with the laws of the State of Ohio as applied to contracts that are executed and performed entirely within this state.

9. Force Majeure. Neither party shall be deemed in default of this Agreement to the extent of non-performance of its obligations or attempts to cure any breach or delay of performance by reason of any act of God, fire, natural disaster, accident, act of government, strikes, terrorism (including cyber-terrorism), unavailability of material, telecommunications capacity, or the failure of any third party provider to supply goods or services associated with or comprising any valuation service hereunder unless such failure of any parties seeking the protection of this clause was materially created, extended or worsened by its conduct or negligence.

10. Interpretation. It is understood and agreed that any ambiguities contained in this Agreement and any amendments thereto should not be presumptively construed against either party.

11. Assignment. Appraiser may not assign or otherwise transfer any of its rights or obligations under this Agreement to any third party without the prior written consent of the other party. The Center may freely assign or otherwise transfer its rights and/or obligations under this agreement. No permitted assignment shall relieve a party of its obligations hereunder with respect to Confidential Information disclosed prior to the assignment.

12. No Modification or Waivers. The provisions of this Agreement may not be modified, amended or waived, except by a written instrument duly executed by both Parties.

13. Counterparts and Facsimile Execution. This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original, but such counterparts shall together constitute and be one and the same instrument. The parties agree that facsimiles of fully-executed copies of this Agreement and any amendments thereto shall be deemed originals for all purposes in connection herewith.

14. Binding Upon Successors. This Agreement shall bind the parties and their successors, permitted assigns, respective heirs and legal representatives.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement at Cuyahoga County, Ohio and caused this Agreement to be effective as of the date first written above.

CENTER FOR RESPONSIBLE APPRAISALS AND VALUATIONS

APPRAISER

By: _____
 Name: _____
 Its: _____
 Date: _____

By: _____
 Name: _____
 Its: _____
 Date: _____