



REAL ESTATE PROFESSIONAL SIGNATORY AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into on this _____ day of _____ 2_____ by and between The National Community Reinvestment Coalition dba The Center for Responsible Appraisals and Valuations (hereinafter referred to as the "Center") and _____ ("Broker").

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;

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;
- 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

2. Duties and Obligations of Broker.

- 2.1 The Broker agrees that neither it nor its agents will do any of the following:
 - 2.1.1 Improperly Influence a lender's, Mortgage Broker's or Lending Correspondent's choice of appraisers for any loan or attempt, in any way, to Improperly Retaliate against an Appraiser for its refusal to value a property or properties in such manner as is desired by the Broker all as defined herein.
 - 2.1.2 Improperly attempt to influence the result of any valuation or appraisal all as defined herein.
 - 2.1.3 Influence any borrower to do business with any lender, or not to do business with any lender, based on that lender's desire or agreement to, or history of utilizing appraisers who will, value a property in any manner that will meet the requests of the Broker or its agent, or will, more likely, lead to valuations that are sufficiently high to facilitate a real estate transaction

- 2.2 The Broker agrees that it shall take and pass the Center online course on compliance and ethical standards of conduct within the appraisal, real estate and lending industries and that the same will be done by each and every one of its agents.
- 2.3 The Broker agrees that, in the event any person or entity attempts to (i) Improperly Influence the results of any valuations or appraisals, singularly or collectively or (ii) Improperly Retaliate against an appraiser for its refusal to modify, change or amend an appraisal result, by the withholding of business, payments or in any other direct or indirect manner; it shall communicate the details of such occurrence or occurrences via the Center's Website at www.responsibleappraisal.com. The Broker agrees to honestly, fully, accurately and completely disclose the facts of what occurred and to cooperate fully in any investigation of the same by the Center or its agents.
- 2.4 The Broker agrees to pay the Center a yearly sum based upon the number of agents it presently has, as a Signatory to the agreement. Such amount may be changed yearly by the Center. The current schedule shall be:
- | | |
|-------------------------|----------|
| 1) Less than 10 agents: | \$500 |
| 2) 11 to 100 agents: | \$5,000 |
| 3) 101 to 500 agents: | \$25,000 |
| 4) Over 500 agents: | \$50,000 |
- 2.5 The Broker agrees that any information submitted to the Center shall be accurate and truthful that any claim (i) of violation by any Signatory to a Center agreement or (ii) that any person or entity unlawfully or improperly attempted to influence an appraisal result, shall be, as well, accurate and truthful.

3. The Center's Duties, Obligations and Functions

- 3.1 The Center shall create and publish standards for (i) reviews of the processes that impact valuation compliance, valuation accuracy and effectiveness and Signatories' compliance with the terms of their agreements, (ii) satisfactory results of the testing of valuation compliance and accuracy for lenders and valuation managers, (iii) sampling and audit of appraisals and evaluations of lenders, secondary market buyers of loans and valuation managers and (iv) reports on same, to be submitted to the Center all through the input and advice of, and from at least one Certified Public Accounting Firm of substantial presence in the industry ("Accounting Firm") that are on the advisory board of the Center, along with other professionals as chosen by the Center. Such standards shall be submitted for comment to all Center Signatories and final standards shall be published yearly, beginning in year 2006. Material changes to standards shall be subject to the above process
- 3.2 Upon complaint by any Center Signatory, as to violations of any other Signatory under the terms hereof or of any other Signatory Agreement, or upon the Center's own action, provided that same is in good faith, or upon the Center's receipt of a report as above mentioned, which reasonably leads it to believe that there may exist a default in an agreement, a defect in a Signatory's procedures to assure compliance or its failure to receive that report after notice thereof, the Center shall mediate same with that Signatory. The Center shall charge a fee therefore, which shall be set and published yearly and paid one half by the Claimant Signatory and the other one half by the Signatory against which the complaint has been made. If the complaint is filed by the Center, the cost shall be borne by the 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
- 3.3 If, in its reasonable discretion, the Center is unable to reach an acceptable resolution of the matter brought by it, or determines that the Signatories are unable to reach an acceptable

resolution of the dispute between them, then, and in such event, it shall notify the Signatory or Signatories that it is submitting the same to arbitration under the terms of hereof. 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 at www.responsibleappraisal.com. Such cost (Fee Chart) shall be paid by acceptable credit card. The full and complete cost of such arbitration proceeding, along with all costs and fees, including reasonable attorney fees of both parties, shall be borne by the party which loses the arbitration, or, if there is an inconclusive decision, in such manner as the Arbitrator 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 (a) holding that there has or has not been Improper Influence or Improper Retaliation against a Signatory, or a breach of a Signatory agreement and ordering injunctive relief therefore, and/or (b) that the party is in material default of its agreement with the Center, which may terminate its status as a Signatory.

- 3.4 Any Signatory lender, Valuation Management Firm or Loan Broker agrees 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 Signatory Claimant. Under no circumstances may it retaliate against a Claimant for having filed a complaint against it.
- 3.5 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 whose Signatory status has been terminated by the Center under the terms of its agreement.
- 3.6 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 as well, or which is an affiliate of a Signatory, then the Center shall utilize another entity, or shall, itself, fulfill the duties under this section.
- 3.7 The Center shall allow the use of the Terms "Center Signatory Real Estate Professional" on all of the Broker's literature, printing, advertising and promotional materials. The Center shall attempt to educate the public as to the import of utilizing Signatory Broker's and other Signatories.
- 3.8 Any Center Signatory may file a claim of Improper Influence or Improper Retaliation against any other non-Signatory person or entity. The cost of that claim shall be borne by the Claimant and shall be published yearly. Any person or entity attempting Improper Influence or Improper Retaliation that is not a Center Signatory, the Center shall contact such 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 them 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 and to pay the attendant costs thereof, then the matter shall be handled in the manner set forth herein. The findings of the arbitrator shall become final and binding against each of the parties and the result shall be published by the Center. In this instance the Arbitrator may award the Signatory damages or enter injunctive or equitable relief.
- 3.9 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.

4. Default.

4.1 If the Center, in good faith, has reason to believe that the Signatory Broker is in material breach of this Agreement, then upon the Center's own action, the Center may allege that the Broker 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.

4.1.1 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.

4.2 If, in its reasonable discretion, the Center is unable to reach an acceptable resolution of the matters in this Section 5 with the Broker, it shall notify the Broker that it is terminating its Signatory status. The Broker 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 Broker. 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 Broker.

5. Definitions.

5.1 Accounting Firm. A "Big Four" Certified Public Accounting Firm or a Firm of similar presence in the industry.

5.2 ACPA. Approved Certified Public Accountant is one, which has been approved by the Center and is listed as an Approved CPA.

5.3 AVME. Approved Valuation Management Firm is a Firm within the mortgage lending industry for at least ten years prior to the signing of Signatory Agreement.

5.4 FIRREA. Financial Institutions Reform, Recovery and Enforcement Act of 1989

5.5 GSEs. Government Sponsored Enterprises

- 5.6 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.
- 5.7 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.
- 5.8 SVP. A Signatory Valuation Personnel is any Valuation Personnel who:
- 5.8.1 Has signed and is, at such time, in compliance with a SVP compliance agreement.
 - 5.8.2 Has passed the necessary compliance course offered through the Center.
 - 5.8.3 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.
 - 5.8.4 Agrees to and does not attempt to Improperly Influence and does not attempt to Improperly Retaliate against any Signatory.
 - 5.8.5 Agrees to and does notify the Center of any person or entity which inappropriately attempts to Improperly Influence a valuation result or Improperly Retaliate.
- 5.9 SPRD. Supplementary Procedures for Resolution of Disputes are specific rules and procedures along with fees, added to the AAA Commercial Arbitration Rules for the special features of the Center for Responsible Appraisals and Valuations Alternative Dispute Resolution (ADR).
- 5.10 USPAP. Uniform Standards of Professional Appraisal Practice.
- 5.11 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.
- 5.12 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.

5.13 CRC Signatory Appraiser or Center Signatory Valuation Management Firm shall mean any appraiser or Valuation management firm, as is, then, a Signatory to a Center Compliance Agreement

6. Other Terms.

6.1 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.

6.2 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.

6.3 If the acts or omissions which lead to a default or breach under this Agreement by a Signatory Broker 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.

6.4 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

6.5 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.

6.6 The award of the arbitrator shall be final and binding upon the parties without appeal or review except as permitted by the arbitration laws of the AAA and not contrary to the laws of the state wherein the arbitration is held. Application may be had by any party to any court of the general jurisdiction for entry and enforcement of judgment based on the award.

7. 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.

8. 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.

9. 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.

10. Assignment. Real Estate Broker 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 Center. No permitted assignment shall relieve a party of its obligations hereunder with respect to Confidential Information disclosed prior to the assignment. The Center may freely assign or otherwise transfer any of its rights or obligations under this Agreement to any third party. Any assignment in violation of this Section shall be null and void.

11. 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.

12. 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.

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

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the day and year written above,

The Center for Responsible Appraisals and Valuations

Real Estate Professional

By _____

By _____

Print Name _____

Print Name _____

Its _____

Its _____

Date _____

Date _____