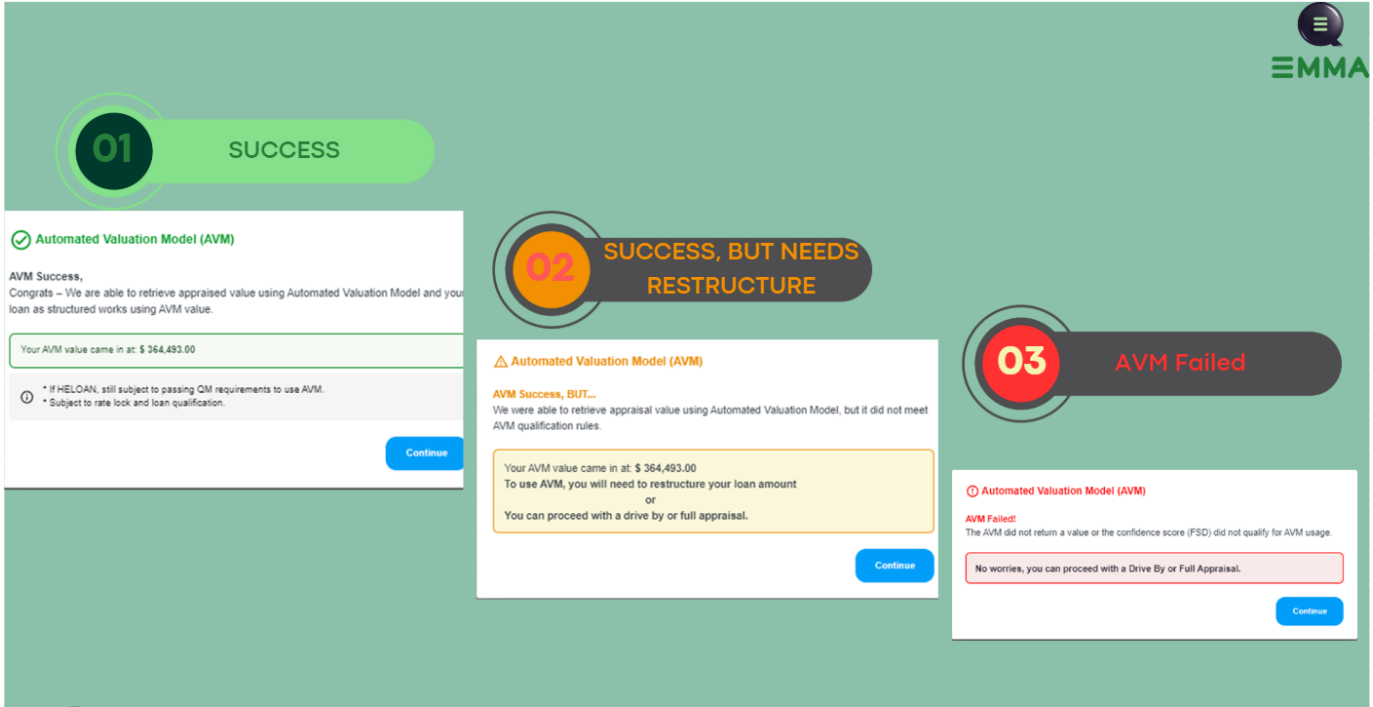


AVM USAGE WITH SPRING EQ – FREQUENTLY ASKED QUESTIONS

1. What is an AVM?
 - a. AVM stands for Automated Valuation Model. An AVM provides a value based on mathematical and statistical modeling using existing databases. An AVM is NOT the same as a Property Inspection Waiver.
2. What is an FSD score?
 - **Forecast Standard Deviation** identifies how confident the valuation model is in a particular value. The smaller the FSD number, the higher the confidence for that value. The confidence level is based on the likely percentage error in the predicted value. The likely percentage error, expressed by the FSD, identifies a range in which the property's actual market value can be expected to fall. The lower the score, the higher the confidence level in the property's value. Please see Spring EQ's product matrices for more information on acceptable FSD numbers.
3. How does an AVM save time and money?
 - a. If an AVM can be used, the following can occur
 - i. Save time as there is no wait for an appraisal.
 - ii. Save money as they are far cheaper than a full appraisal.
 - iii. Close faster, making for happier borrowers!
 - iv. Using an AVM provides you with great certainty of the value being used at registration so you can have a smooth transaction for your client.
4. Can I send you the AVM I pulled in my system for this loan?
 - a. Not at this time. Spring EQ only uses the AVM we pull through our system.
5. At what point will I see the AVM value?
 - a. In order to see the AVM value during registration, the loan must be registered EMMA. You will see the AVM value after credit is pulled, before finalizing the registration and lock. Once the loan is registered and locked, the AVM will be viewable in the Spring EQ Broker Portal.
6. What is the advantage of seeing the AVM value up front?
 - a. It allows you to restructure the loan to make sure it fits the Spring EQ loan parameters.
7. Can I use an AVM on a property that is owned free and clear?
 - a. No. You cannot use an AVM on a 1st lien HELOC.
8. What is the maximum allowable loan amount for an AVM?
 - a. You can use AVMs for loan amounts up to \$400,000! Please see the Spring EQ Product Matrices for loan parameters and allowable loan values.

9. Do we pay for an AVM upfront?
 - a. SEQ bears the cost of the AVM. The \$45 for the PCI (Property Condition Inspection) is deducted from the loan proceeds at closing. All loans that close with an AVM will have the \$45 PCI cost.
10. Does a borrower have to pay for an AVM and an appraisal if we choose not to use the AVM?
 - a. The borrower will only pay for the PCI and appraisal if we move forward on the premise that we are using an AVM and the PCI, which costs \$45, is pulled. If after the PCI is pulled and the decision is made to disregard the AVM and move forward with a drive-by or full appraisal, the cost of the PCI report will be collected at closing from the loan proceeds. The borrower will receive a link to pay for whichever appraisal type is ordered before the appraisal inspection can be scheduled.
11. What is the cost of an AVM?
 - a. The borrower is not charged for an AVM. The borrower or broker is not charged if an AVM is pulled, and we do not order a PCI report. If we proceed and a PCI report is requested, a \$45 PCI report cost is collected from the loan proceeds at closing.
12. Are additional collateral/appraisal items required with an AVM? If so, what is the cost?
 - a. Yes, a PCI (Property Condition Inspection) is ordered on all loans we use the AVM. This inspection costs \$45 and will be collected from the loan proceeds when the loan closes and funds.
13. When would an AVM not be able to be used?
 - a. Loan amounts over \$400,000
 - b. Investment properties that are over \$250,000 loan amounts
 - c. 1st Lien HELOCS
 - d. Additional criteria can be viewed on the Spring EQ Product Matrices, which can be found in EMMA.

14. What are the AVM statuses that will show in EMMA?



The screenshot displays three distinct AVM status scenarios within the EMMA interface, each with a corresponding header and detailed message box.

- 01 SUCCESS:** A green header with a checkmark icon. The message box contains a green checkmark, the title "Automated Valuation Model (AVM)", and a success message: "AVM Success, Congrats – We are able to retrieve appraised value using Automated Valuation Model and your loan as structured works using AVM value." It shows a value of \$ 364,493.00 and includes a "Continue" button.
- 02 SUCCESS, BUT NEEDS RESTRUCTURE:** An orange header with a warning triangle icon. The message box contains an orange warning triangle, the title "Automated Valuation Model (AVM)", and a message: "AVM Success, BUT... We were able to retrieve appraisal value using Automated Valuation Model, but it did not meet AVM qualification rules." It shows a value of \$ 364,493.00 and states: "To use AVM, you will need to restructure your loan amount or You can proceed with a drive by or full appraisal." It includes a "Continue" button.
- 03 AVM Failed:** A red header with a warning triangle icon. The message box contains a red warning triangle, the title "Automated Valuation Model (AVM)", and a message: "AVM Failed! The AVM did not return a value or the confidence score (FSD) did not qualify for AVM usage." It includes a "Continue" button.