

BULLETIN



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BROKER / WAREHOUSE LINES / NON-DELEGATED CORRESPONDENT

Tuesday, February 7, 2023

Bulletin #2023-C-001

NOTICE TO CORRESPONDENT CUSTOMERS

Appraisal Risk Review

FLC Bank is issuing this bulletin to stress the importance of properly addressing and documenting the lender's determination of acceptable collateral (appraisal report). Care should be exercised when reviewing appraisals to evaluate the comparable sale selection, and the appraisal adjustments and confirm data integrity by utilizing Collateral Underwriter (CU) or other third-party property tools.

Effective immediately, FLC Bank is implementing the following requirements when the SSRs denote a CU risk score ≥ 4 and/or an overvaluation flag is noted, in an effort to prevent delays during the pre-purchase loan review:

- The Uniform Underwriting and Transmittal Summary Form 1008 must include commentary addressing the underwriter's rationale for the reconciliation of value being supported, and
- A CDA-Desk Review supporting the conclusion of value.

If you have any questions, please contact your [Account Executive or Client Relations Representative](#).

To access our most recently updated Temporary Policies Related to COVID-19 (version 48) please [click here](#).