Jared Priesler and Brian Coester – Coest2Coest Automated Transcript

Jared: 00:00

There is some fear of interest rates going up, and you know, it's those impact, most, most of the buyers. There are qualifications contingent on interest rate and that that could affect, especially later towards the end of the year. The other exciting trend, not necessarily a market trend, but we're starting to get a lot of questions about bifurcated reports, about somebody else doing the inspection company and then the appraiser doing some desktop. You know, we get invited to be on a lot of different panels. We have appraisers that participate in a lot of events, and they'll call us to see what our take is on that. The market's been good for awhile. As a lender, I think investors are getting more comfortable with, with something a little bit less than a full 1004. As the market changes that might change too.

Brian: 01:04

Got it, I remember back in the eighties, GE (General Electric), was trying to do this. But there's a difference with FNMA (Fannie Mae) trying to do it, it's a little different, right? Because it's not, it's an independent company.

My personal opinion in regards to the home inspection companies going to inspect the house and the appraiser's not going to the house. I mean, what they're really talking about is the old trainee model. Most appraisers had two or three trainees that were run out there doing inspections, and he was, either writing up the report, assisting the write up of the report and supervising it. And that's where this sort of hybrid approach is coming from.

Brian: And I'm just thinking to myself like, is it more practical, as an AMC, let's just say for us to go and hire some home inspector or some real estate agent or some certified inspector to go out and inspect this property. And then have us assign it to an appraiser to write it up or more practical for the appraiser to have a local trainee going out there doing the inspection and then turning it in after the appraiser reviews it? A lot of independent companies have designed a new form, and they got the desktop form, but other than in the secondary market, I don't know if anybody's using.

Other than a default servicing or REO situation. Even the companies and banks that we know that do home equity lines of credit, they get Drive-By of Full 1004 appraisals still, you know?

Jared: 03:15 Yeah. I'm not sure. I know that there's a, there's a group that is doing the home inspection where it's a non- trained valuation professional that's doing the inspection side. I know that in there, I don't know what they're using those for those reports. So I used to have a home inspection company. One of the things I would be concerned about is what looks average to the home inspector might be very different than what's average for the appraiser and indeed what's a C4 or C3, to Fannie and Freddie and, and where, how do you, how do you determine what that, that connection is and the consistency we're being held to a consistency standard that home inspector might not wondering. You might say, hey, this is average condition. I'm in a neighborhood of, of, you know, $500,000 houses and granite countertops is very average and the next time he's in a $200,000 neighborhood and Formica countertops are very typical and says, Yup, that's average for this area also. So the appraiser gets that and sees, oh, average, and now we're very different.

Brian: 04:41 Yeah. And, and I think to that point, so appraisers average, uh, it's, it's one of the things, I mean, you see Moody's a report that they downgraded

Jared: 04:51 a headline for it. I didn't, I didn't have a chance yet to dig into the report, but yeah, I saw that headline.

Brian: 04:57 Yeah. And so, I mean, the, the gist of it is, is, is Moody's is, came out and said there's additional risk associated with nonappraisal based on the alternative evaluation. I mean, that's the gist of it, right? Which I think everyone would agree with. Um, and it's interesting because it's, you know, personally, right? Like when you think about, you know, am, right? So that's one end of the spectrum, right? And then you've got the full appraisal, which is the, the, the, the, the other end of the spectrum, the desktop version. And desktop appraisal is a nice, let's say, median, right?

Jared:	05:40	And by the way, leave populate those desktop forums. If you got an appraiser out there, this hates typing those in a call us, we can help them customize those forums as well.
Brian:	05:54	No, I think everyone, I think every shameless plug. Exactly, exactly. Hey, I was actually going to say that, but I didn't, I didn't want to say that. Hey. So yeah, exactly, exactly. But then there's no issue with that. I mean it's, it's, it's, there's a huge benefit to it. And I think, I think there is something where I'm the desktop full and let's say Avm, there is a need for like, like just common sense would say there is a need for alternative products, right? Like the [inaudible] and just-just having the [inaudible] just like when you just think, forget about appraisal valuation of collateral, right? Like the appraiser side is just wanting the idea of just having an arm and full appraisal, widely used is not really practical, right? The idea of saying, okay there's arm, and then you'll have your desktop valuation, and then you'll have your full appraisal.
Speaker 2:	06:51	And then the desktop valuation with um, some sort of inspection is, is a safer bet. But then the full appraiser, a getting the appraiser to go out there and do it himself. His is the most kind of, let's say I'm the safest, most accurate bat. And I just wonder. So it's the kind of like paper, right? So when, when, when the computers came out, let's say the 19 [inaudible], when I went back in the seventies, I remember this when the computers came out, um, you know, everyone thought the paper was going to go away, right? But it actually, the reverse happened. Now it's starting to get paperless. But the reverse happened. I mean, they had paper for everything. Everything needed a printer and a cop. And by the way, we're paperless now because of smartphones on the cloud, not because of computers. Correct. Correct. Correct. Correct. In the scanners and all these other things.
Speaker 2:	07:41	And so there's a part of me that thinks that with this desktop and alternative evaluations in multiple products being offered by an appraiser, number one, you have more to sell, which is

important, right? But number two, that, you know, with a lower price point or with a different turn time with a different product offering me, you know, you're going to, you, they're going to be able to, uh, collateralize a lot more things, right? And then a negative example, right? Where like bitcoin and the blockchain technology has enabled, like in countries like Egypt, right, where people have owned the land for a thousand years, and everyone has a house, right? Just they don't, like everyone has a house with people or what, what blockchain technology has been able to do is they're able to call [inaudible] the government. There is no record of who owns the land. There are no deeds.

Speaker 2:	08:37	This is thousands of years passed down generation to generation hieroglyphics, summer, right? For summer. Um, what has been able to do with block chain is use that to collateralize a, the house meaning like there's a record associated now so they can get a loan on it. Well, something like if you're gonna applies for a $50,000 line of credit at your bank and you're gonna do it all online, you're gonna go to ABC lender dot. Well, I mean, you know, to your point, speed is important. It is important. It's a factor with, with loans. If you want to buy a house, I mean if you want to get something, well, having a desktop valuation offering to where you can get it relatively quickly and is accurate, I think is going to enable more appraisals to be ordered at some level. Right? Just different types. I
Speaker 1:	09:33	think when you have an appraiser touching it.