

# Understanding Appraisal Management Companies (AMCs) Guide



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*A Guide by The Housing Assistant*



## Introduction

An Appraisal Management Company (AMC) serves as a third-party intermediary between mortgage lenders and real estate appraisers. AMCs are crucial for maintaining compliance with federal regulations that protect the independence and integrity of real estate valuations.

## What is an AMC?

An AMC, or Appraisal Management Company, manages the process of ordering, assigning, reviewing, and delivering appraisals for mortgage lenders. They were established to prevent undue influence on appraisers and promote impartiality in property valuations.

## Role of AMCs in Mortgage Lending

- Assign licensed, independent appraisers
- Manage appraisal scheduling and logistics
- Serve as a buffer between lenders and appraisers
- Perform quality control reviews before delivery
- Handle billing and compliance documentation

## Ensuring Compliance and Appraiser Independence

AMCs were made essential after the 2008 housing crisis and the introduction of the Home Valuation Code of Conduct (HVCC) and Dodd-Frank Act. Their presence ensures that lenders do not exert influence over appraisers to 'hit' desired values, which could create systemic risk.

## Benefits of Using an AMC

- Protects valuation integrity and reduces fraud risk
- Ensures regulatory compliance (USPAP, Dodd-Frank, HVCC)

- Streamlines vendor oversight and appraiser management
- Reduces operational risk for mortgage lenders

### Typical Responsibilities of an AMC

<b>Function</b>	<b>Description</b>
Appraiser Assignment	Select and assign licensed appraisers based on proximity and availability.
Scheduling & Coordination	Manage appointment times and property access.
Communication Buffer	Prevent direct contact between loan production staff and appraisers.
QC Review	Review completed appraisals for missing data, compliance, and consistency.
Billing & Payment	Collect appraisal fees and compensate appraisers appropriately.