

# Property Data Collector Independence Requirements

These Property Data Collector Independence Requirements (PDCIR) set forth standards to safeguard the independence, objectivity, and impartiality of property data collectors and other Independent Parties throughout the property data collection process.

Property data collection is the act of physically or virtually observing and reporting property characteristics in a fact-based manner. Property data collection is not an appraisal in that it does not involve the development of an opinion of value.

For purposes of these PDCIR, the term “Independent Party” refers to the property data collector, property data collection company, any entity or person related to the property data collector, property data collection company, or any other party that is part of the property data collection process. When appraisers, appraisal companies, or appraisal management companies are engaged to perform the property data collection process they are Independent Parties. Compliance with these PDCIR is the responsibility of the Seller.

## I. General Requirements

No person is allowed to influence or attempt to influence the observation, reporting, result, or review of a property data collection through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or any other manner including but not limited to:

- A. Withholding or threatening to withhold timely full or partial payment to an Independent Party;
- B. Withholding or threatening to withhold future business from, or demoting or terminating or threatening to demote or terminate an Independent Party;
- C. Expressly or impliedly promising future business, promotions, or increased compensation to an Independent Party;
- D. Conditioning the ordering of a property data collection, or the payment of a fee, salary, or bonus on the findings or conclusion of the property data collection;
- E. Providing stock or other financial or non-financial benefits to an Independent Party, or any entity or person related to the Independent Party;
- F. Establishing a list of approved Independent Parties, or adding an Independent Party to an exclusionary list of disapproved Independent Parties designated to perform property data collection assignments for a specific Loan Originator, loan officer, or Mortgage Broker;
- G. Permitting Loan Originators, loan officers, or Mortgage Brokers to select from a list of Independent Parties;
- H. Directing an Independent Party to prepare property data collection using a specific scope of work that is contrary to the defined property data standard;
- I. Any other act or practice that impairs or attempts to impair the independence of the property data collection, including but not limited to directing the Independent Party to conceal or remove content or other relevant information that would impact or alter the results.



## II. Acceptability of Subsequent Property Data Collection Assignments

The Seller must not order, obtain, use, or pay for a subsequent property data collection in connection with a Mortgage financing transaction unless:

- A. There are indicators the initial property data collection was factually inaccurate, not credible, or in violation of legal and /or professional standards related to nondiscrimination, and such indicators are clearly and appropriately noted in the Mortgage file, or
- B. Such subsequent property data collection is done pursuant to written, pre-established bona fide pre- or post-funding review or quality control processes or underwriting guidelines, and so long as the Seller adheres to a policy of selecting the most reliable results.

## III. Independent Party Engagement

- A. The Seller must separate its sales and Mortgage production functions from its property data collection functions. An agent or employee of the Seller involved in the Seller's sales or Mortgage production function must have no involvement whatsoever in the operations of the Seller's property data collection functions.

If absolute lines of independence between the Seller's property data collection process and its Mortgage production process cannot be achieved because of the Seller's small size and limited staff, the Seller must clearly demonstrate within its written policies that it has prudent safeguards in place to isolate its property data collection process from influence or interference by its Mortgage production process.

(1) For purposes of these PDCIR, the following are "Restricted Parties":

- (a) All members of the Seller's Mortgage production staff;
- (b) Any person who is compensated on a commission basis upon the successful closing of a Mortgage, including but not limited to, Mortgage Brokers, Loan Originators, and real estate agents; and
- (c) Any person whose immediate supervisor is a member of the Mortgage production staff or otherwise participates in the Seller's Mortgage Production process.

(2) Restricted Parties are prohibited from:

- (a) Ordering or managing a property data collection assignment;
- (b) Selecting, retaining, recommending, or influencing the selection of any Independent Party for a particular property data collection assignment or for inclusion on a list or panel of Independent Parties approved or forbidden to perform property data collection for the Seller; or
- (c) Having substantive communications with an Independent Party related to changing or removing factual observations in a property data collection.



Notwithstanding the foregoing, any party, including any Restricted Party, may request an Independent Party to provide additional information or explanation about the property data collection, or to correct factual errors in a property data collection.

- B. The Seller or any third party specifically authorized by the Seller (including, but not limited to, property data collection companies, appraisal companies, appraisal management companies, and Correspondent lenders) shall be responsible for selecting, retaining, and providing for payment of all compensation to the property data collector. The Seller will not accept any property data collection completed by an Independent Party that is selected, retained, or compensated in any manner by the Borrower or any other third party (including Mortgage Brokers, Loan Originators, and real estate agents).
- C. Any person involved in substantive property data collection review or in the selection of Independent Parties for inclusion on a list of approved Independent Parties must be appropriately trained in property data collection.
- D. The Seller may maintain lists of approved Independent Parties only if:
  - (1) The Seller has in place a written policy that requires such lists for bona fide administrative or quality control purposes; and
  - (2) Any employee or vendor of the Seller involved in the selection of Independent Parties for such lists are wholly independent of the Seller's Mortgage production staff and process.

#### **IV. Use of Property Data Collection by In-House or Affiliated Independent Parties**

So long as the Seller complies with the PDCIR, the Seller may:

- A. Use a property data collection prepared by an Independent Party employed, engaged as an independent contractor, or otherwise retained by:
  - (1) The Seller;
  - (2) An affiliate of the Seller;
  - (3) An entity that is wholly or partially owned by the Seller or an affiliate of the Seller; or
  - (4) An entity that wholly or partially owns the Seller or an affiliate of the Seller.
- B. Use its in-house staff to:
  - (1) Order property data collection;
  - (2) Perform property data collection;
  - (3) Conduct property data collection reviews or other quality control, whether pre-funding or post-funding.



## **V. Compliance**

The Seller must adopt written policies, procedures, and disciplinary rules, and implement adequate training programs, to ensure compliance with these PDCIR. Additionally, the Seller must ensure that any third parties, including but not limited to property data collection companies, service providers, or Correspondent lenders, involved in the origination of a Mortgage or the sale and delivery of a Mortgage to Fannie Mae are also in compliance with these PDCIR.