

CoreLogic Appraisal Control

CoreLogic is in control of so many of the resources appraisers rely on, so the question becomes is it open and competitive market? Some examples of CoreLogics' businesses in the appraisal profession and valuation industry are:

- **Matrix MLS**
- **Realist Tax**
- **RealQuest Public Records Data**
- **ACI Software** (Appraisal Report Development Software)
- **Appraisal Port (FNC)** (Appraisal Report Delivery)
- **Appraisal Scope** (Appraisal Report Delivery)
- **Mercury Network** (Appraiser Selection and Appraisal Report Delivery)
- **Data Courier**
- **Marshall and Swift** (Appraisal Report Cost Data)
- **FloodCert.com** (Appraisal Report Flood Data)
- **LSAM**
- **Columbia Institute** (Appraiser Training)
- **RELS** (now CoreLogic w/ staff appraisers)
- **CoreLogic Appraisal Management Company (AMC)**

The above-listed enterprises represent a virtually lock and control of the overall real estate property valuation process.

CoreLogic has been able to insidiously acquire companies and control on a subtle 1 by 1 acquisition basis, hiding beneath the radar of most of the general public.

The Appraiser selection, appraisal initial public records, MLS Data, Appraisal Report Development Software, Flood Data, Cost Data, and finally Appraisal Report Delivery, are all now virtually controlled by various CoreLogic Divisions. In addition, the Appraiser Training and now staff Appraisers are being infiltrated as well. The CoreLogic AMC division has acquired numerous other major Appraisal Management Companies, thus removing competition.

There is no other precedent for this out of control anti-trust monopoly in any other American industry or business today. How this company has hijacked the entire appraisal profession and valuation of American Real Estate in a relatively short period of time is a sad commentary on our government protection of anti-trust monopolies.

The cost to consumers for Real Estate Valuations is rapidly becoming within complete CoreLogic control, since they now own so much of the overall valuation process now, and there are really no other competitors remaining. They have recently announced significant price increases on the Mercury Network (Appraiser Selection and Appraisal Report Delivery Service), since they now control most of the biggest providers in this Appraisal Report Delivery Service niche of the industry.

Appraiser independence has been under siege. The potential for real estate valuation control fraud is becoming a very real and present danger now, especially considering the underhanded practices typically employed by the CoreLogic AMC division.

The CoreLogic AMC division is now comprised of numerous major Appraisal Management Companies that have been acquired over time, steadily removing competition and driving Appraiser fees down, while allowing them to take higher profits with the elimination of competitors. They are also actively hiring staff appraisers, and can now provide low subsistence wages, while at the same time these Appraiser's are also highly subject to control fraud.

The Federal Housing Finance Agency has released a working paper "Are Appraisal Management Companies Value-Adding? – Stylized Facts from AMC and Non-AMC Appraisals"

The latest FHFA White Paper Report just issued "Are Appraisal Management Companies Value-Adding?" clearly confirmed that **compared to non-AMC appraisals, AMC appraisals are more prone to contract price confirmation and super-overvaluation (extreme levels of overvaluation)**, and AMC appraisals tend to use a greater number of non-relevant out of area comparable properties to help justify this overvaluation because appraiser's are pressured by AMC's to hit the target value to appease the client.

In addition, the FHFA White Paper Report also notes that **AMCs "take a cut** of the prevailing appraisal fees they charge lenders, leaving appraisers **with substantially less than what they would get were they working independently**. Recently, there have been a significant number of reports on this **lower appraiser compensation resulting in appraiser shortages, which in turn lead to delayed closings and rush fees that increase costs to homebuyers.**"

It is very clear that a new phenomenon of Contract Price Bias and overvaluation fraud is being heavily influenced by the control and pressure coming from Appraisal Management Companies, and the ever present threat of black-listing if you do hit the value. Appraisal Management Companies appease their immediate clients, the Mortgage Brokers and Lenders (in conjunction with involved Agents/Brokers), and must make all deals work regardless of overvaluation.

The new extended and expanding CoreLogic family of divisions promote a restraint of trade and abuse of monopoly power, and the CoreLogic AMC division essentially promotes anti-trust business practices that unreasonably deprive Appraiser's, and in turn consumers, of the benefits of competition, resulting in higher prices for products and services.

Appraiser's and Real Estate Valuation Services need more independence and competitive choices, not anti-trust monopolies.

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