



Home Value Calibrator

A tool for pre- and post-funding quality control

Home Value Calibrator® (Calibrator) is a quality control tool that measures the risk that an appraisal, or other estimate of a property value, exceeds the actual market value by at least 10 percent. It assists in identifying loans for further evaluation and prioritizing workflow. Calibrator combines the precision of an automated valuation model with a statistically based scoring model to deliver a score that can help identify loans with potentially inflated collateral valuations.

> Key Benefits

- Automated process is more efficient than traditional quality control methods.
- Delivers an easily interpreted score that can instantly identify appraisals that need additional review.
- Matches the level of review to the risk.
- Identifies potential outliers prior to funding.
- Prioritizes workflow.
- Streamlines quality control sampling methodology.
- Enables users to track up to four loan characteristics to identify trends and improve appraisal management processes.

> Key Features

- Generates a score between 300 and 900 to indicate the probability of an inflated valuation. Lower scores indicate higher risk.
- Leverages the Home Value Explorer® (HVE®) estimated value of a property and combines it with a predictive statistical scoring model.
- Analyzes key elements of loan data and property information along with the HVE value.
- Enables prioritization of workflow based on the score received.
- Allows users to aggregate results and produce customized monthly reports to track performance and identify trends.

CALIBRATOR SAMPLE OUTPUT

Loan
Number: TEST0409A

Calibrator for 2801 SUNSET DR NE : 413

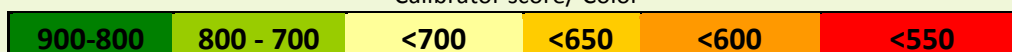
Property Information:

Street Address: 2801 SUNSET DR NE
City: TUSCALOOSA **State:** AL **Zip:** 35404 - 1234

Scores below **500** are at highest risk of faulty assessment
Scores between **500 and 600** are at a high risk of faulty assessment
Scores between **600 and 700** are at moderate risk of faulty assessment
Scores above **700** are at lower risk of faulty assessment

INTERPRETING CALIBRATOR SCORES

Calibrator score/ Color



KEY

Risk appraisal is inflated



CALIBRATOR BATCH PROCESSING

The following key loan data elements and property information are used to analyze the accuracy of the valuation :

Calibrator Batch Processing Input File Layout

Data Element	Examples
Property Street Address	123 Main St, Anywhere, CA, 99999
Property Type	Single Family, Condo, 2-unit, manufactured
Loan Number	1234567890
First Lien Loan Amount	\$200,000
Second Lien Loan Amount	\$40,000
Loan Purpose	1st Lien: Purchase, Cash-out Refinance, No Cash-out Refinance 2nd Lien: Home Improvement, Debt Consolidation, Other
Valuation Type	Appraisal, Purchase price, Borrower estimated value
Valuation Amount	\$375,000
Valuation Date	August 15, 2010
User-Defined Field 1*	Branch (Southwest, Northeast, Central)
User-Defined Field 2*	Appraisal Company/ AMC (XYZ Appraiser Company)
User-Defined Field 3*	Appraiser (John Smith, Michael Brown)
User-Defined Field 4*	Channel (Broker, Retail or Correspondent)

*Users may define data for up to four fields to generate customized reports

Learn more about Home Value Calibrator

- Visit FreddieMac.com/hve/calibrator.html
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