



Risk-based Pricing Strategies

Identify and quantify collateral risk, decide whether to accept the risk, and if so, how to price for the risk

Veros Real Estate Solutions proudly introduces VeroFI, a true risk-based solution for collateral valuation. Combining Veros' predictive technology with variable collateral risk modeling VeroFI will quantify the potential valuation risk specific to a residential lending transaction. VeroFI provides immediate access to identify the feasibility of any user-provided residential property value (e.g owner's estimate, BPO, appraisal, or AVM). Gain a competitive advantage and enhance your profitability by incorporating risk-based analytic tools into your business.

Valuation Scoring & Risk-Based Pricing Advantages

VeroFI affords an organization the opportunity to evaluate and verify any estimate of value. VeroFI analyzes any user-supplied value, determines the variance from estimated market value, and identifies whether any deviation results in overvaluation or undervaluation risk. Lenders can now score any estimate of value whether for pre-qualification and origination purposes or other credit-risk, quality control, portfolio review or audit procedures. Risk-based pricing strategies rely on technology to offer unlimited potential and greater effective use of automated solutions. Modern technology enables the real-time analysis of each individual business transaction, creating the opportunity for customer or program specific pricing based upon the risks identified. Risk-based pricing strategies allow an organization to expand business opportunities while mitigating risk and increase competitive advantage.

Valuation Feasibility Indicator

- Identify overvaluation risk
- Quantify the variance between any supplied value and estimated market value.
- Increase effective use of cost savings collateral valuation tools.

How Verofi Works:

VeroFI is easy to use, understand and incorporate into your business. Using industry standard communication technology (e.g. Internet, XML) customers simply need to identify a property address and a valuation estimate. VeroFI creates a report that provides:

- User-supplied value estimate
- Feasibility Score (VFS)
- Feasibility Indicator (VFI)
- Property characteristics
- Up to 6 local recent sales
- Neighborhood fitness information
- Neighborhood price trends



1 Value Provided

Users submit a determination of value (e.g. OEV, QV, or appraisal).

2 Feasibility Score (VFS) & Feasibility Indicator (VFI)

VerofI will score the user-supplied determination of value quantifying the valuation risk and identifying the extent of over or under valuation risk. Users may select actionable tolerance levels within which a user-supplied valuation will be scored. Outside of user-determined tolerance thresholds, the user may define any number of actionable rules or procedures.

3 Property Information

Subject property characteristics including assessed value and subject sales history.

4 Neighborhood Price Range Chart

A chart of residential values providing the subject's estimated value relative to its neighborhood and property type.

5 Area Price Trends Chart

A chart of historic (3 year) residential price trends providing market conditions and valuation estimates in the subject's neighborhood.

6 Market Data – or sales “comps”

A list of recent residential property sales, including detailed property information, from the subject's immediate market area used as comparative data in the analysis of a value estimate for the subject property.