# Modernizing Data Collection
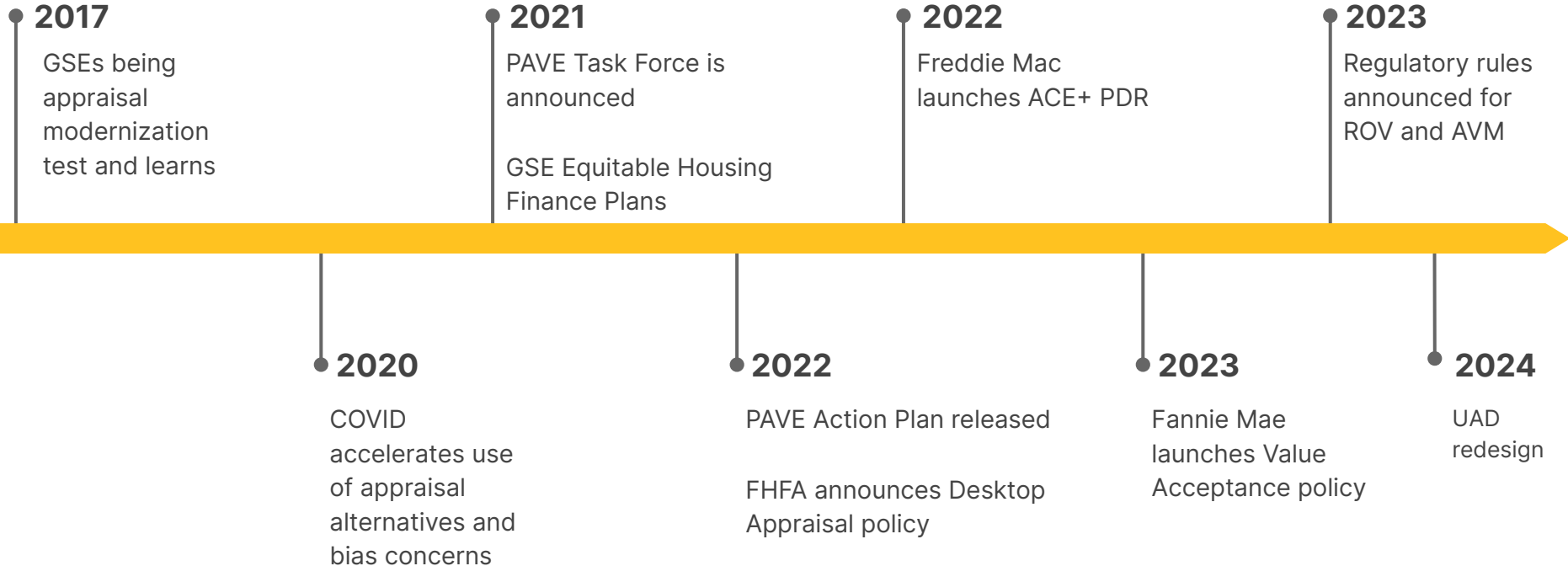
**CCCREC Conference 2024**

Kenon Chen, EVP Strategy and Growth

# Modernization/Fair Housing Movement timeline

**2017**

GSEs being appraisal modernization test and learns

**2020**

COVID accelerates use of appraisal alternatives and bias concerns

**2021**

PAVE Task Force is announced

GSE Equitable Housing Finance Plans

**2022**

PAVE Action Plan released

FHFA announces Desktop Appraisal policy

**2022**

Freddie Mac launches ACE+ PDR

**2023**

Fannie Mae launches Value Acceptance policy

**2023**

Regulatory rules announced for ROV and AVM

**2024**

UAD redesign

# 5 years of performance data

## ~300,000

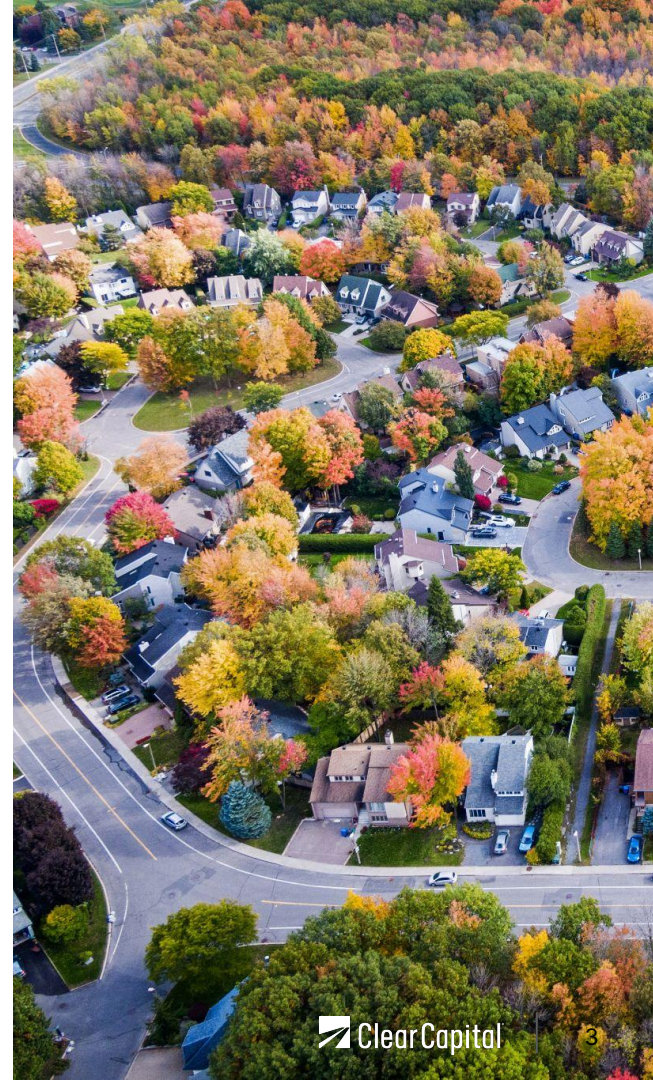Total Completed Loans

## < 4 Days

Average Calendar Day Turn Time

## Triple

Frequency of Evening and Weekend Inspections

## 66% Fewer

Customer Escalations

# The Digital Inspection

**Home data captured digitally with portable device**

**Automated Floor Plans, 3D capture, Digital Twins**

**Technology should create options for capacity**



**ClearCapital®**

# The Digital Inspection

|  | **Traditional** | **Digital** |
|---|---|---|
| **Accuracy** | Inconsistent principles | Standardized principles |
| **Fidelity** | Minimal visual detail on the sketch | In-depth visual detail on the sketch |
| **Scalability** | Significant learning curve | Anyone with a smartphone can do it |
| **Integrity** | Interested Parties can't be trusted | Data can be safely collected by anyone |

ClearCapital®

# Capture Tech Revolution
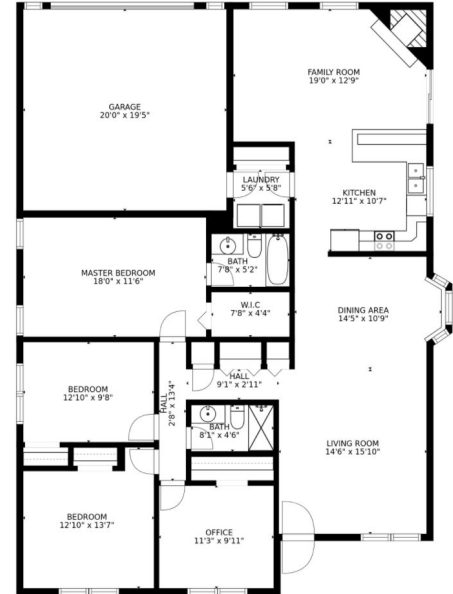
**$3,400**

**$300**

**You already own it**

# Capture Tech Revolution

**Phone features create possibilities**

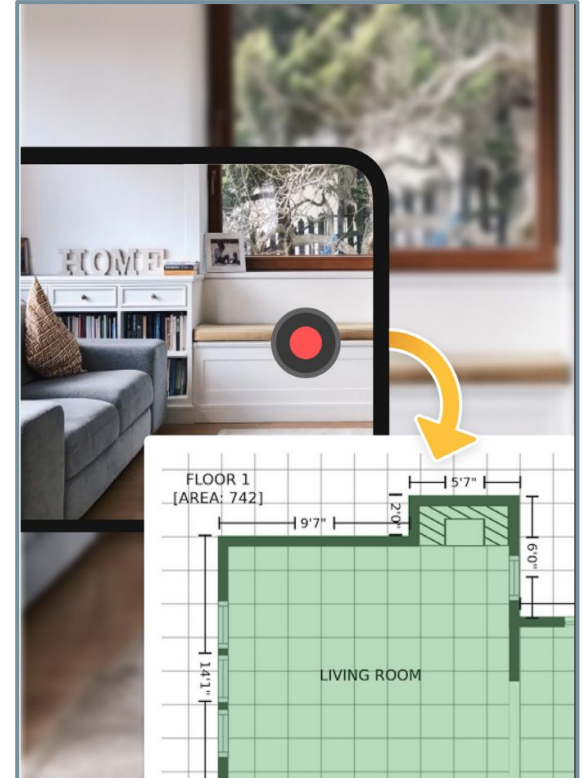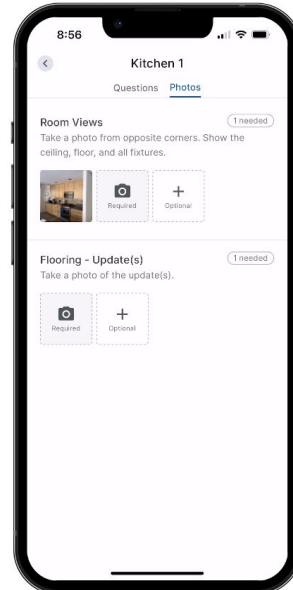**LIDAR, GPS, Gyroscope, Compass**

**5G and processing power**

**Photo AI/ML**

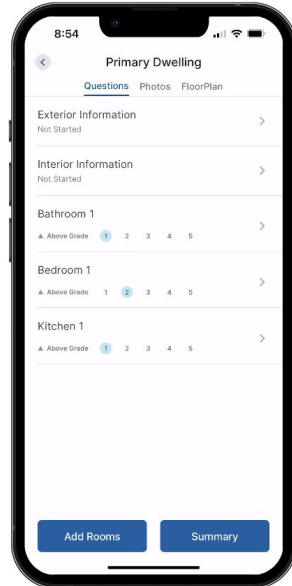# Capture Tech Revolution

| | Two different appraisers hand-measuring the same property | Two different untrained homeowners scanning the same property with CubiCasa |
|---|---|---|
| Sample size of properties | 285 | 43 |
| Average GLA variance | 3.9% | 4.0% |
| Percent of properties with significant GLA variance* | 4.9% | 0.0% |
| Standard deviation of variance | 8.0% | 3.5% |

**ClearCapital®**

# New on-site requirements focused on consistency

Mobile apps guide the data collector through data and photo requirements, including a property scan to produce an ANSI-aligned floor plan and digital GLA.

# Data Deliverables from a digital scan...

## Floor Plan Layouts and Measurements



7375 Southwest Winters Road, Fern Hill, Cornelius, Washington County, Oregon, United States, 97113
Gross Living Area: 1931 sq. ft

## Structured Property Data

- Above grade finished living area
- Above grade total area
- Above grade living area by floor
- Basement area
- Finished Basement area
- Unfinished Basement area
- Basement type
- Basement finish
- Basement daylight
- Foundation type: basement
- Bedrooms count
- Full Bathrooms count
- Full Bathrooms by floor
- Half Bathrooms count
- Half Bathrooms by floor
- Fireplace presence
- Fireplace count by floor
- Number of stories
- % Number of stories

- Garage presence
- Garage type (no carport)
- Garage size
- Garage area
- Living area above garage
- Kitchen count (&) size
- Windows Count
- Exterior Doors Count
- Interior Doors Count
- Average wall height
- Staircases Count
- Interior Room Type
- Interior Room Size
- Porches
- Decks
- Balconies
- Patios
- Pools/Hot Tubs
- Stairs size and location

# Smarter Valuations via Photo AI





**Legend**
- Appraisal Comp
- BPO Comp
- Naive Appraiser
- Subject Property
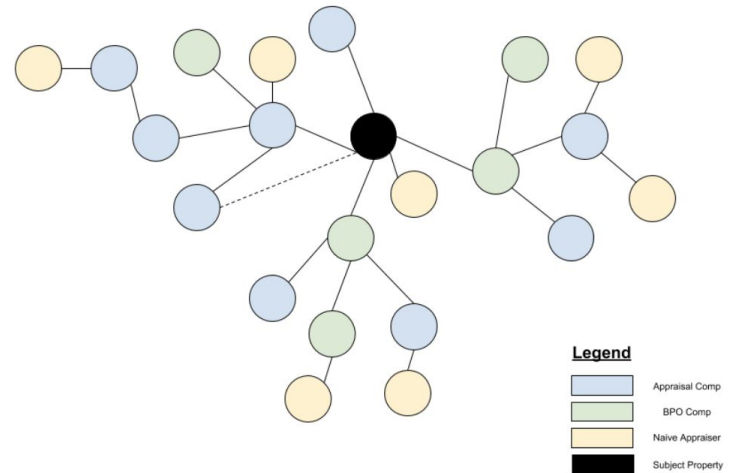
1. Automate and standardize condition and quality observations
2. Improve comparable models using photo datasets

# Next Generation of Appraisers

Seamless use of tech and data capture to produce accurate reports

- Use of mobile tech in the field

- Tech enabled virtual learning to extend experience

- Ability to work with appraisal analytics tools and data collection

- Hybrid and Desktop Appraisals on existing data

- Prompt Engineering skill sets

Thank You