



The Federal Agencies have jointly issued a Final Rule to implement the quality control standards mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) for the use of automated valuation models (AVMs) by mortgage originators and secondary market issuers in determining the collateral worth of a mortgage secured by a consumer's principal dwelling.

Under the final rule, institutions that engage in certain credit decisions or securitization determinations must adopt policies, practices, procedures, and control systems to ensure that AVMs used in these transactions to determine the value of mortgage collateral adhere to quality control standards designed to meet the below quality control factors

1. ensure a high level of confidence in the estimates produced by AVMs;
2. protect against manipulation of data;
3. seek to avoid conflicts of interest;
4. require random sample testing and reviews; and
5. comply with applicable nondiscrimination laws.

The final rule will have an effective date of the first day of the calendar quarter following one year after publication in the Federal Register.

You can read the final rule [here](#).

If your bank uses AVMs, you must comply with this new ruling. If you have questions about the new rule, please contact CCI at inquiries@competecompli.com.

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