



Expert: Tech firms are slow to develop appraisal technology

Says appraisers should be open minded about new tech

July 18, 2019, 11:40 am By [Kelsey Ramirez](#)

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Technology providers are slow to enter and develop new tech for the home valuations space, leaving appraisers lacking when it comes to new technology options.

“In terms of hierarchy, the appraisal segment, for whatever reason, falls lower on the totem pole,” said Jeremy McCarty, co-founder and CEO of **Valligent Technologies**, a HW Tech100 winner. “Therefore, fewer tech firms enter the segment, and therefore fewer technologies are developed.”

HousingWire’s Tech100 recognizes the most innovative and impactful companies in the housing and mortgage industries. Now, HousingWire is launching an all-new award program – the Tech Trendsetters, which recognizes the experts behind these innovative companies.

The nominations opened in July; [click here](#) to read all about our new award. And when you’re finished reading about it, [nominate someone!](#)

We want to recognize the experts behind the technology. The people who drive the innovation. The executives making an impact. This inaugural program will award 50 of the technology leaders driving innovation in the housing economy. [Nominate](#) your tech driver today; the nomination period closes July 26, 2019.

How do you become a leader in the tech space? One of our previous Tech100 winners says it like this:

“Simply put, Valligent Technologies has consistently developed the caliber of technology that no one else was bringing to the appraisal segment,” McCarty said. “We developed the four-hour

desktop appraisal in 2012, the 48-hour drive-by appraisal in 2016, and most recently – the game changer – a full interior inspection appraisal that can be completed in as little as one hour. We bring a data driven approach that draws on big data and cloud computing, and is in sync with emerging AI-machine learning developments. We’ve been able to develop the technologies that make us a tech industry leader because we bring both a macro and micro understanding of the industry to all of our R&D.”

“I have been a licensed appraiser for over 30 years, and Jeff Wickham, my co-founder, has been in the housing segment for over 30 years as well,” he continued. “This knowledge has enabled us to deliver high-value technology to the mortgage space.”

HousingWire sat down with McCarty to talk about how appraisers and tech leaders can work together to modernize the valuation space.

HousingWire: How can appraisers work to modernize and include more technology in the valuation process?

Jeremy McCarty: The best way appraisers can help advance the valuation process is to bring a spirit of open mindedness toward new technology. By shifting their focus away from the understandable discomfort of being replaced by technology, they can look at the opportunity to refine their skillsets and elevate their standings from data collectors and form fillers to valuation analysis experts. It would be great if they could remind themselves how great it feels to expand their knowledge base and develop new skills, rather than to stay in their comfort zones.

HW: Is a “One-hour appraisal” the right option for everyone? If no, do you think it ever will be, and if yes, why?

JM: The one-hour appraisal is brand new to the conventional mortgage market and we’re at the infancy of adoption. At this point, while the one-hour appraisal’s implications are extremely far-reaching, it’s going to be up to the GSEs and investors to determine how they can and will be used. Up until the past year, the GSEs have not allowed anything other than traditional appraisals, so most of Valligent’s work has been for equity lending and default servicing. Even as usage expands, it’s understood that unique properties or ones located in remote areas with limited data will require a traditional “feet on the ground” appraisal process. Ultimately, we anticipate that properties securing roughly 80% of loans will be valued through data drive approaches.

HW: Why do you think the appraisal process has remained unchanged until now?

JM: I think there are a lot of factors contributing to the lack of progress in the appraisal segment. First, we have to look back to the crisis, and how properties were—or were not—evaluated for mortgages originated during that time. The fallout from those losses put a lot of restrictions on the ways appraisals were completed. Unfortunately, we have also seen a bit of resistance to new technologies. Most people recognize this segment as slow adopters. And finally, in terms of hierarchy, the appraisal segment, for whatever reason, falls lower on the totem pole. Therefore, fewer tech firms enter the segment, and therefore fewer technologies are developed.#