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Equifax Collateral Value Connector(TM) Leverages Southwest Financial Services to Optimize Valuation Accuracy, Reduce Collateral Valuation & Compliance Risk for Lenders

ATLANTA, July 29, 2013 (GLOBE NEWSWIRE) --[Equifax](#) (NYSE:EFX) announced the availability of its [Collateral Value Connector](#)TM, an AVM cascade that rank orders the industry's leading automated valuation models (AVMs) by accuracy to provide lenders a precise collateral valuation that can be depended on. In an effort to provide the lending community with a truly transparent and documented approach to AVM testing and facilitate compliance with federal regulatory guidelines, Equifax has partnered with [Southwest Financial Services, Ltd.](#) to independently test and validate the AVMs that are available via the Collateral Value Connector.

As a national provider of appraisal management, title, flood zone determination and valuation services, Southwest Financial Services is uniquely qualified to independently test and make sound recommendations as it relates to which AVM(s) a lender should consider using given the geographic location of an asset. Through exhaustive testing that takes place on a weekly basis, Southwest Financial Services is able to measure the performance of the models that are available via the Collateral Value Connector and rank them at the county-level according to their respective accuracy rates to ensure delivery of the most accurate collateral valuation possible. In previous years, loose AVM testing standards led to the use of inaccurate and unsupported collateral valuations, which in turn increased fraud, repurchase, and reputational risk for lenders. However, today's strict Interagency Appraisal and Evaluation Guidelines mandate comprehensive testing policies for lenders to justify the use of an AVM according to how it has performed in a given subject property's geographic area.

For first mortgage underwriting, an AVM's accuracy plays a significant role in the appraisal review process, but for home equity lending, its role is more critical. In some cases, federal and state regulators permit the use of AVMs in lieu of appraisals for home equity lending due to the difference in risk exposure and cost of the appraisal process relative to the total loan amount. For lenders, Collateral Value Connector comes at a time when home equity volumes are increasing, there is significant competition to offer consumers home equity products at a competitive rate, and regulatory scrutiny over the collateral valuation process is at an all-time high. According to the Equifax July *National Consumer Credit Trends Report*, new home equity loan volumes year-to-date in April 2013 increased more than 17% year over year, from \$24.1 billion to \$28.4 billion.

"With today's low rates and increasing home values in the vast majority of areas in the US, homeowners are returning to leverage the equity in their home as a flexible source of credit,"

said Craig Crabtree, Senior Vice President Equifax Mortgage Services . "For lenders, the need for valuation accuracy and transparency is more important than ever. Through Southwest Financial Services' independent and comprehensive testing criteria, the Equifax Collateral Value Connector exceeds the standard automated valuation model to deliver an unparalleled level of accuracy, coverage and documentation that lenders can rely on to effectively manage their collateral risk and meet regulatory compliance demands."

About Equifax, Inc.

Equifax is a global leader in consumer and commercial information solutions, providing businesses of all sizes and consumers with information they can trust. We organize and assimilate data on more than 500 million consumers and 81 million businesses worldwide, and use advanced analytics and proprietary technology to create and deliver customized insights that enrich both the performance of businesses and the lives of consumers.

Headquartered in Atlanta, Equifax operates or has investments in 18 countries and is a member of Standard & Poor's (S&P) 500® Index. Its common stock is traded on the New York Stock Exchange (NYSE) under the symbol [EFX](#). For more information, please visit www.equifax.com/property.

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