



LEADING THE INVESTMENT PROPERTY INDUSTRY

OTP Valuation Shortfall Protocol

RULE OF THUMB - Upon receiving a valuation shortfall act quickly and professionally. Expect the Property Research House and developer to do the same.

1. Immediately email the Property Research House and ask:
 - a. Why there was a valuation shortfall?
 - b. Whether the developer will be proactively addressing the shortfall with the valuer?
 - c. What strategy will the PRH and valuer apply to the shortfall?
 - d. Find out if you should submit another application with a different lender while the developer is addressing the original valuation shortfall?
2. Immediately follow up your email with a phone call to your BDM at the Property Research House to inform them of the email. Ask them when you can expect to hear back from them. Time is of the essence here.
3. If you have to submit another loan application with a different lender while the developer is addressing the previous valuation shortfall then ask the Property Research House:
 - a. What valuers does the developer prefer, and which ones to avoid?
 - b. Wait until Valex selects the preferred valuer before accepting the valuation placement.
 - c. If a valuer is selected that's not from the developer's preferred panel then deny the valuation until the preferred valuer is selected.
4. Advise Slipstream of the valuation shortfall, the strategy.

Avoid approaching:

- The developer directly
- The client with the news of the valuation shortfall without finding out why this happened, what the strategy will be, and ideally have solutions at hand.