

RENOVATEAMERICA™

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July 14, 2015

Sharon Anderson, County Counsel
Contra Costa County
651 Pine Street, 9th Floor
Martinez, CA 94553

Re: HERO Home Value Calculation

Dear Sharon,

In response to your inquiry, we are providing additional information that you may find helpful regarding the integrity of the HERO Home Value calculation.

In every case, an automated system passes an APN (Assessor's Parcel Number) and an address to a small set of industry accepted Automated Value Models (AVMs). These AVMs electronically return home value estimates directly to the Automated Underwriting System (AUS), which, without human interaction, determines the home value from these inputs. Electronic copies of the AVM source files are stored with the homeowner's assessment record held by Renovate America and are subject to audit by Renovate America's investors and the bond rating agencies.

The only mechanism for user input in the home value process is upon homeowner submission of a valid appraisal from a qualified California appraiser. In this case, an underwriter can key in an appraised value from the appraisal which is reviewed by Underwriting Quality Control and approved by the Underwriting Manager. The AUS then uses this as the new home value. Also in this case, the appraisal is stored with the homeowner's assessment record held by Renovate America and subject to audit by Renovate America's investors and bond rating agencies. To date, nearly ten thousand (10,000) such files have been audited by such third parties without incident.

Sincerely,



Nick Fergis
Chief Operating Officer