

Erik Morin on a return to the reverse mortgage valuation space

Morin discusses his pivot back to the reverse appraisal and valuation space and the importance of expertise

Landmark Network, which was acquired in 2018 by **Class Valuation**, established itself as a leader in the reverse mortgage valuation space shortly after it was founded in 2007.

While Landmark's former CEO Erik Morin left Class Valuation two years ago, he is now making a return to the reverse mortgage valuation space as a board member and partner at **Atlas VMS, Inc.** To learn more about this pivot, RMD sat down with Morin to discuss what he hopes to accomplish and find out how the business has changed over the past few years.



A return to reverse valuation

For Morin, the return to the reverse mortgage valuation space reflects a return to his roots.

"We were a trusted provider for well over a decade in the reverse space, and built a solid reputation on service and understanding the senior borrower," Morin said. "We look forward to reentering the space and getting back to our roots, and providing that level of service again." Erik Morin

When asked about potential partnerships, Morin said he's most concerned with absorbing how the reverse mortgage business has shifted recently.

"The industry has changed a bit over the last couple of years," he said. "We've had some new entrants into the space and we've had some significant exits. So the space isn't exactly the way it was when I left it. We look forward to connecting with the companies doing business out there, including most wholesale lenders, retail lenders and brokers, and finding the opportunity where we can help them succeed."

There have also been notable changes in the valuation industry itself, across both the forward and reverse mortgage business sectors.

Broad valuation changes

During the height of the recent refinance boom, the industry observed difficulties in the appraisal process due to a lack of qualified appraisers. Those issues have lessened recently, but Morin noted that there are ways the process has changed across both the forward and reverse industries.

"Well, the market is different today than it was before; that goes without saying," he said. "It does feel like there are more appraisers available for assignments, but the reality is the whole valuation space in general is changing. It will affect reverse probably later than it will the traditional lending side, but the work that Fannie and Freddie is doing for conventional loans, they're really changing the game on that side of the business and working to achieve property valuation in a way that doesn't exclusively depend on appraisers going into the field and going into the homes."

That could eventually overlap with the reverse space, but it's difficult to say when it could happen, he said.

Serving reverse borrowers

Still, what is often missed by valuation professionals entering the reverse mortgage space is the borrower profile, Morin said. The appraisal form is the same across forward, reverse, conventional or FHA lending, but the borrower profile could be an issue for new entrants into the space.

"That's because the borrower is very different," Morin said. "It's important that if you're a company that is focused on reverse to understand that the borrower is different and to be able to accommodate that. I'm not sure if people identify when they run into [those kinds of] challenges servicing the reverse industry, and we've always had a really good focus on making sure that the borrower was supported and educated throughout the process."

Being able to embrace that borrower diversity could make a big difference in terms of success for appraisers in the reverse space, Morin said.

"You have issues where sometimes there's a reluctance that seniors have about somebody they don't know going into their home, so you have to work around that," he said. "There's also working with the appraisers for them to understand that sometimes for the borrower, this is the only person who's going to go to their home at any given period of time, and they may want to chat with them a bit. That's a real scenario."

That could lead to an "awakening" for an appraiser who thinks they'll be in and out of the property quickly, Morin said. That's why specialized training for reverse mortgage appraisals is beneficial, according to Morin.

"There is a long list of things that we train on with our staff to understand what's involved with reverse," he said. "Knowing what the differences are with the borrower, the potential differences with the properties themselves, how we address deferred maintenance concerns, specific underwriting issues that come up with reverse lenders, making sure that we're delivering the report to them in a way that is as clean as possible so that they really understand what the collateral is."