



## Minimum Valuation Requirements

Each application for lenders mortgage insurance submitted to QBE LMI will be taken to include a representation by the lender that each externally sourced valuation provided in support of the application complies with these Minimum Valuation Requirements.

### 1. Professional Membership

Each valuation has been completed by a Valuer who is a member of Australian Property Institute (API), Royal Institution of Chartered Surveyors (RICS) or an equivalent professional body.

### 2. Minimum Valuer Qualifications

#### **a) Valuations of properties valued at \$1 million or less**

Each valuation has been completed by a Valuer in one of the following membership categories or an equivalent membership category of an equivalent professional body:

- AAPI CPV (Associate Member Certified Practising Valuer);
- FAPI CPV (Fellow Member Certified Practising Valuer);
- PMAPI RPV (Provisional Member Residential Property Valuer);
- GAPI\* (Graduate Valuer);
- PAAPI\* (Provisional Associate Valuer).

Valuation reports signed by PMAPI RPV, GAPI\* or PAAPI\* API members are only acceptable where countersigned by a supervising Member holding AAPI CPV or FAPI CPV classification.

The supervising Member must review the valuation and working papers, and based upon such review and appropriate questioning obtain reasonable satisfaction that the value opinion contained in the valuation has been reached based on reasonable grounds.

*\* Classifications subject to API membership transitional arrangements.*

#### **b) Valuations of properties valued at more than \$1 million**

Each valuation must be completed by a Valuer in one of the AAPI CPV or FAPI CPV membership categories or an equivalent membership category of an equivalent professional body.

However, each valuation completed by an AAPI CPV must be countersigned by either a FAPI CPV or an AAPI CPV who is a director or principal of the relevant valuation entity.

No valuation submitted for a property valued at more than \$1 million has been completed by a PMAPI RPV, GAPI or PAAPI Valuer or an equivalent membership category of an equivalent professional body.



### 3. Standard Valuation Report Format

Each valuation submitted is in the API Property Pro template and includes the four property related risk ratings and four market-related risk ratings. Each valuation must be ordered by and addressed to the Lender, with allowance for use by QBE LMI, be no more than three months old.

### 4. Minimum Professional Indemnity Insurance Coverage

QBE LMI has differentiated the Professional Indemnity insurance requirements by geographic location to Metro and Regional/National (refer to the Location Guide).

The following requirements will apply to the valuer company which provided each valuation and the individual valuer who prepared each valuation – compliance with these requirements may be implemented from the next anniversary of renewal of cover (post-effective date of this policy):

	<b>Metro</b>	<b>Regional / National</b>
Professional Indemnity insurance - cover per claim of not less than:	\$2 million	\$1 million
Aggregate liability for claims - Have Professional Indemnity insurance which does not have an aggregate liability for claims during the policy period less than:	\$4 million	\$2 million
Excess or deductibility of claims - Valuers are required to have Professional Indemnity insurance which does not impose an excess or deductible per claim higher than:	\$50,000	\$50,000

### 5. Instructions

The insured Funder must instruct the valuer in relation to preparation of a valuation report. Responsibility for this instruction cannot be delegated to any other party in the loan origination process.

### 6. Multiple Valuations

In the event where the Lender or Lender's Agent has received more than one valuation regarding the proposed security property in respect of a Loan Application, QBE LMI has been provided with a copy of all such valuations.



#### 7. Exemption

In exceptional circumstances there may be in place risk management strategies aimed at eliminating or reducing one or more of the risks addressed by these Minimum Valuation Requirements.

In those circumstances a lender may apply to QBE LMI for exemption from one or more of these Minimum Valuation Requirements.

In that event, QBE LMI may, in its absolute discretion, grant to the lender exemption from one or more of these Minimum Valuation Requirements. QBE LMI may grant such exemption on such condition or conditions as QBE LMI considers appropriate in its absolute discretion.

#### 8. Breach of Representation

In the event that the representation that each external sourced valuation provided in support of an application complies with these Minimum Valuation Requirements is not true in whole or in part, QBE LMI may:

- (a) Avoid the relevant lenders mortgage insurance policy if the misrepresentation was made fraudulently;
- (b) Reduce its liability under the relevant lenders mortgage insurance policy to the amount that would place QBE LMI in the position in which QBE LMI would have been if the misrepresentation had not been made; and/or cancel the relevant lenders mortgage insurance policy; and/or
- (c) Cancel the relevant lenders mortgage insurance policy.