Advantage Cascade™
Powered by AVMetrics

Affordable Due Diligence

Not every lender can dedicate available internal resources to in-house automated valuation model (AVM) testing and analysis. For many, engaging the services of an independent testing firm such as AVMetrics may be cost-prohibitive.

With the Advantage Cascade, the investment in independent testing is integrated in the price you pay for the AVMs being purchased. In addition, you'll enjoy the benefits of quarterly Cascade updates based upon new testing and/or the inclusion of new AVM brands.

Delivering accuracy, independence and value, the Advantage Cascade – powered by AVMetrics – represents something new in the AVM cascade market.

Independence Is at the Heart of the Advantage Cascade

The due diligence that lenders are required to perform on the AVMs they use has become increasingly important in the wake of increased regulations issued by the FFIEC (OCC, FRB, FDIC, NCUA).

At the heart of these regulations is the expectation of independence. However, when it comes to AVMs, lenders are often trapped in closed systems where AVM providers define their own preference tables by using unproven testing methodologies to develop cascades.

The Black Knight Advantage Cascade offers a more innovative, accurate approach. The cascade model preference table is an open, independently driven and verified cascade supported by AVMetrics, the industry's leading AVM validation and testing authority.

The Advantage Cascade is constructed with multiple top AVM suppliers specifically selected so that various models are available in each geographic area. This ensures that our customers have access to a wide range of the best possible models for a given market. The Advantage Cascade as determined by AVMetrics, features not only Black Knight AVMs but also models from other third–party AVM providers.

Use the Advantage Cascade to support compliance with regulatory guidelines by relying on the views and testing of AVMetrics rather than the representations of any one AVM developer or vendor. And, if faced with a regulatory audit, AVMetrics can provide all the Cascade performance analysis you'll need.*

Black Knight Data & Analytics is a leading source of comprehensive property, MLS and mortgage performance data and intelligence. Our actionable data and analytics solutions help our clients improve strategic and tactical performance; identify, reduce and mitigate risk; satisfy regulatory requirements; leverage cost savings; and create opportunities for growth and increased profitability.

Black Knight Data & Analytics is an integral part of Black Knight's end-to-end solutions suite and offers:

- Property, MLS and mortgage performance data

- Mortgage and real estate analytics

- Valuations

- Lead generation

- Property tax reporting

- Advisory Services

- Data Licensing

Accuracy

Black Knight Data & Analytics has the utmost faith and confidence in our AVMs, but understands the importance of having multiple AVM suppliers. That's why the cascade hosts additional market-leading AVMs from other sources as well. The AVM determined to provide the highest accuracy is the one the Advantage Cascade will use. The performance of the top AVMs is very similar, however having AVMs from various suppliers can be viewed as an asset in regards to regulatory oversight.

Black Knight Data & Analytics has worked with AVMetrics to ensure that all of the AVMs used in the Cascade are held to very high accuracy standards utilizing metrics such as overall model performance being within +/- 10% of the sales price (benchmark value). Those requirements actually exclude over half of the AVMs on the market. The Advantage Cascade only uses the top tier of AVMs as determined by testing for accuracy.
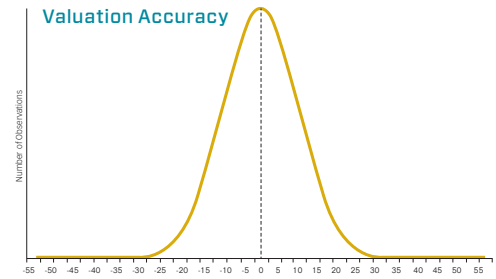
Unbiased Analysis

Recognized industry-wide as the leading independent AVM testing and analysis authority, AVMetrics developed the logic driving the Advantage Cascade and performed the necessary due diligence and analysis on the AVMs Black Knight Data & Analytics uses.

Along with many of the largest organizations in the industry, Black Knight places a great deal of confidence in the integrity and cascade development skills of AVMetrics. We help preserve that integrity by restricting access to the underlying cascade structure – even from ourselves.

The secure, protected cascade structure is accessible only by AVMetrics. We're focused on maximizing the accuracy and the hit rate of the cascade we offer – but how this goal is accomplished is determined entirely by AVMetrics.

It's crucial to note that AVMetrics' compensation for its services to construct and update the Advantage Cascade is not tied to any individual model inclusion or position in the cascade structure, making its involvement as unbiased as you can get.

Expand your knowledge about the benefits of AVM Cascades and call **866.964.8343** today to learn more about the unmatched accuracy and independence of Advantage Cascade.

Valuation Accuracy

The graph above shows the ideal distribution of error in Cascade valuations. The objective of the Advantage Cascade is to maximize the number of observations that fall within the +/-10% range.

About AVMetrics

AVMetrics was founded by Lee Kennedy who saw the need for true independent testing and auditing of automated valuation models (AVM). The company's services are designed to assist clients with the technical and subject matter support necessary for the prudent use of alternative valuation products, specifically the use of AVMs.

AVMetrics' blend of testing and auditing products, combined with demonstrated subject matter expertise, help you move through the intricacies of selecting and implementing commercially available products for collateral risk assessment, evaluation and fraud analysis.

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