Royal Bank

Mr. Dan Brewer
President
Appraisal Institute of Canada
403-200 Catherine St
Ottawa, ON
K2P 2K9

RE: Clarification on NAS Portal for RBC Business Financial Services

Dear Mr. Brewer,

We wanted to thank you for sharing the concerns of your members with respect to RBC's usage of National Appraisal Services (NAS) for ordering Commercial appraisals. In retrospect, we do understand your membership's concerns and would like to apologize for any confusion and concerns raised from the registration email distributed by NAS in March. We would like to clarify our intent and, most importantly, articulate what is not changing with our adoption of the NAS portal. We are hopeful this will alleviate many of the concerns raised.

We have partnered with NAS with the sole purpose of simplifying our internal processes for obtaining commercial appraisals. The business portal is built entirely to the specification of our commercial appraisal needs and is a distinct model from that used in our residential mortgage business.

Specifically, the NAS commercial property portal has been implemented to address the following within our business:

- **Improved Efficiency:** Our current process relies on manually compiled and distributed lists of RBC approved appraisers. The NAS portal will eliminate this manual process for distribution of approved appraisers
  Consistency across our network: Consistency of instructions to appraisers (e.g. based on market, location, property type) can be better managed through the centralized NAS portal. Additionally, the portal will enable better consistency and efficiency for obtaining letters of transmittal
- **Monitoring our Appraisal Process:** Tracking of individual appraisal status & delivery times relative to market and property type norms

Further we wish to clarify the following will not change with the usage of the NAS portal for our commercial property appraisals:

- RBC's list of approved appraisers for commercial properties has not changed and RBC will continue to manage the list of RBC approved appraisers
- NAS will have no role in the selection of appraisers or pricing of appraisals
- The clients will continue to pay for the appraisal and where market coverage allows, our client may choose from RBC proposed appraisers
- RBC account managers may continue to request specific appraiser subject to being on RBC's approved list or specifically approved by RBC Risk Management

The agreement between NAS and RBC has provision on data privacy and confidentiality. RBC remains the owner of the data. NAS cannot use the information obtain through appraisals completed for RBC other than to production of reports for RBC's sole usage.

RBC wants to re-assure your members the RBC's introduction of the NAS portal for commercial appraisals should not interfere with existing relationships. We trust these clarification will help to alleviate concerns raised.

Please do not hesitate to reach out to me should you have additional questions on this matter.

Regards,

Nadia Chénier-Yacoub
Sr Manager Term lending, Business Credit, Business Financial Services