



PRESS RELEASE

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Collateral Risk Network Standards Committee Gross Living Area Measuring Standards – Announcement

The Collateral Risk Network (CRN) announced today its formal endorsement of the gross living area measuring standard developed by the National Association of Home Builders (NAHB). This standard, published by the American National Standards Institute (ANSI), entitled Square Footage - Method for Calculating, establishes a protocol for calculating gross living area in single family residential homes.

Joan Trice, Founder and President of the CRN states, “gross living area (GLA) is one of the most important inputs in a valuation report. It is imperative to set and adopt a standard that can be applied by appraisers as well as other stakeholders. As the appraisal process is undergoing major shifts towards modernization and new levels of automation, this void was ripe for a solution. The CRN applauds NAHB and the Home Lab for their efforts in developing this standard.”

The CRN Standards Committee has identified the following key drivers for recommending the ANSI Square Footage - Method for Calculating standard:

- ANSI is an internationally recognized standards setting body
- ANSI Z265-2021 has been developed by experts working at and in conjunction with the NAHB
- ANSI Z265 has been adopted by the states of Kentucky and Mississippi
- By endorsing this standard, the CRN is encouraging emerging technologies to develop applications for gross living area calculations in a more uniform protocol

Mark Walser, President of Incenter Appraisal Management and CRN member notes, “we stand in solidarity with CRN and the NAHB in the adoption of a trusted and reliable standard as the appraisal profession works to meet lenders’ need for faster, accurate and compliant valuation reports. Digitizing processes through new technologies helps fill this gap, and appraisal professionals must have full confidence that their measurements meet standards. The adoption of ANSI is a critical step in that direction”.

The CRN Standards Committee, chaired by Elizabeth Green, Chief Product Solutions and Data Officer for LoanLogics, is working to provide a resource to the residential mortgage lending industry. The CRN Standards Committee will develop a practical “how to” guide to demonstrate the features and benefits including such topics as:

- Difference between current approaches
- Technology impacts

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- Lender and investor overlays
- Jurisdictional considerations to the definition
- Valuation professional application samples of unique properties

To get involved, visit our website: <https://www.collateralrisk.org/standards/>

ABOUT

The Collateral Risk Network was founded in 2003 by Joan Trice, and established as a non-profit, 501(c)(3) as of January 2020. The CRN's mission is to advance the use of sound collateral risk management principles, policies and practices within the housing finance industry. The CRN promotes a broad multi-stakeholder approach to risk management that focuses on valuation, collateral risk, and compliance.

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