



# Loan Guaranty Conference 2023

Top 10 Things Valuation Officers Want You to Know

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U.S. Department  
of Veterans Affairs

# Case Transfer Between Lenders

- ▶ VA Lenders Handbook, Chapter 10, section 26
- ▶ The initial lender is responsible for facilitating the transfer of cases to the new lender
- ▶ The lender who ordered the appraisal **MUST** transfer the case to the new lender upon request from Veteran in writing
- ▶ The NOV is **NOT** transferable. The new lender must issue a new NOV

# Lender Certification of Repair Inspections

- ▶ VA Lenders Handbook, Chapter 10, section 23
- ▶ Lenders are encouraged to self-certify repairs, especially when it is licensed personnel doing the certification, such as a contractor or inspector
- ▶ Lenders cannot certify paint issues involving lead-based paint issues

# Appraisal Fees

- ▶ VA Lenders Handbook, Chapter 10, section 24
- ▶ VA continues to assess market demand for appraisal services and adjust appraisal fees and timeliness accordingly
- ▶ When an appraisal is ordered, the requester must certify that: On receipt of "Notice of Value" or upon advice from the Department of Veterans Affairs that a "Notice of Value" will not be issued, we agree to forward to the appraiser the approved fee which we are holding for this purpose
- ▶ If the requester fails to pay the appraisal fee, VA may require advance payment on future appraisals
- ▶ Late fees cannot be paid by the Veteran



# Appraisal Timeliness

- ▶ Lenders Handbook, Chapter 10, section 24
- ▶ VA monitors timeliness closely to provide service to Veterans that is as fast as or faster than conventional appraisals
- ▶ Timeliness for the appraiser begins the first business day after assignment date
- ▶ Timeliness standards are available at [http://www.benefits.va.gov/HOMELOANS/appraiser\\_fee\\_schedule.asp](http://www.benefits.va.gov/HOMELOANS/appraiser_fee_schedule.asp)
- ▶ Lenders should check WebLGY for updates on the appraisal assignment before contacting the appraiser regarding timeliness



# SAR Responsibilities

- ▶ VA Lenders Handbook, Chapter 13, section 2b, 3d, 3f
- ▶ The lender SAR may contact the appraiser for corrections. If a correction or clarification is needed on the appraisal report, a complete revised appraisal report must be uploaded into WebLGY
- ▶ If questions are not answered by the appraiser, the SAR should contact the office of jurisdiction for assistance [FAQ\\_RLC\\_Contact\\_Info.pdf \(va.gov\)](#)
- ▶ The same day the NOV is issued, the SAR must send the Veteran a copy of the NOV together with a copy of the appraisal report
- ▶ SARs are NOT to exert pressure or undue influence on the appraiser

# Changes to Sales Contracts

- ▶ VA Lenders Handbook, Chapter 10, section 3
- ▶ The requester must upload a copy of the executed sales contract into WebLGY the same day the appraisal request is made
- ▶ Any delay in providing the contract will delay the appraiser in their duties
- ▶ If the sales contract is amended during the appraisal process (prior to the effective date of the appraisal), the lender must provide the updated contract to the appraiser to ensure the appraiser considers the potential impact on value of any changes

# Private Roads and Shared Drives

- ▶ VA Lenders Handbook, Chapter 12, section 4
- ▶ Private road requirements:
  - Protected by a permanent easement, and
  - Maintained by a homeowner's association or joint maintenance agreement
- ▶ Circular 26-22-17 modified these requirements in stating that an ongoing maintenance agreement from a homeowner's association or a joint maintenance agreement from the owners of properties accessed by the private road or shared driveway is no longer required for properties with private roads and shared driveways
  - The following actions will be taken on these properties:
    - A recorded permanent easement or recorded right-of-way from the property to a public road is still required to be placed in the loan file.
    - Item 5 of the NOV will no longer be marked



# Condos

- ▶ VA Lenders Handbook, Chapter 11, section 12
- ▶ All condominium units must be in a development that has been accepted by VA prior to loan guaranty, unless a waiver has been granted for the Veteran's loan
- ▶ VA condo approvals are for the development; waivers, if granted, are Veteran specific

# Condos, Continued

- ▶ For documents needing review, the lender establishes a record for the condominium in WebLGY and uploads the required documents in the following stacking order:
  - Declaration
  - Bylaws
  - Amendments
  - Plat Map
  - Rules and Regulations
  - Meeting Minutes
  - Budget
  - Special Assessment Letter
  - Litigation Letter
  - Presale Letter
  - Any addition documents
  
- ▶ Documents are reviewed and a determination is made by VA

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# Condo Waivers

- ▶ When the condominium project is found to have provisions not meeting regulatory requirements, VA staff will advise the Veteran and/or lender of the waiver process
- ▶ To request a waiver, the following is needed:
  - A statement outlining that the Veteran understands the project was not approved and the reason for the waiver request; Acknowledgement of all restrictions that are currently in place; and
  - Signed/emailed acknowledgement that the Veteran recognizes, accepts, and understands the long-term implications of the restriction(s)
- ▶ Veteran and/or lender will be advised of the determination of the waiver request

# Procedures for Alternative Valuation Methods

## ▶ VA Circular 26-22-13

- Lenders interested in utilizing an exterior-only appraisal or desktop appraisal should work with the VA fee panel appraiser assigned to the case and, if desired, the Veteran to make appropriate arrangements
- In the case of appraisal requests for purchase transactions that remain unassigned for more than 7 business days, lenders may alert VA of their desire to proceed with an exterior-only appraisal and/or desktop appraisal by sending an email to [cvvaluestream.vbaspt@va.gov](mailto:cvvaluestream.vbaspt@va.gov)

# Procedures for Alternative Valuation Methods, Continued

- ▶ Exterior-only and desktop appraisals are acceptable for the following VA-guaranteed purchase transactions where all of the following are true:
  - Lender is approved to participate in the Lender Appraisal Processing Program (LAPP)
  - Purchase price does not exceed the current calendar year conforming loan limit for the property jurisdiction
  - The dwelling is a single family (1-unit) home cannot be a manufactured house, condominium or on a leasehold. Or under active renovation
  - One or both of the following: The Veteran is making a down payment of at least 20 percent of the purchase price; OR more than 7 business days have elapsed since the lender requested an appraisal and the case remains unassigned in VA's system

# Assisted Appraisal Processing Program (AAPP)

- ▶ Circular 26-19-31
- ▶ Lenders will be required to indicate whether the VA appraisal can be prepared under AAPP
- ▶ VA fee panel appraiser participating in AAPP must continue to follow all applicable VA statute, regulations, and policies, as well as the policies and procedures outlined in this Circular
- ▶ The person providing information to the VA fee panel appraiser must be otherwise permitted to sign an appraisal report as “Appraiser” on any of the approved VA forms and is to acknowledge in the report that he or she is knowledgeable in all VA requirements for Minimum Property Requirements (MPRs)
- ▶ Ensure that the person who provides to the VA fee panel appraiser information under AAPP signs or has signed the appraisal report in the “Appraiser” section of the left side of the appraisal report. The VA fee panel appraiser must sign as the “Supervisory Appraiser”

# Assisted Appraisal Processing Program (AAPP), Continued

## ▶ VA Circular 26-19-31

AAPP exclusions and conditions:

- ▶ AAPP is not permitted when the lender indicates that they will not accept AAPP at the time they place the order
- ▶ The VA fee panel appraiser is required to make all site visits on complex properties, homes equal to or greater than 1 million dollars in sales price or value, and new construction properties
- ▶ In instances that Tidewater may apply, the assigned VA fee panel appraiser may only contact the lender to invoke Tidewater if he/she has performed the site visit of the subject property and verified the condition of the property. If the assigned VA fee panel appraiser did not conduct the site visit, the VA fee panel appraiser must make a site visit to the subject property at no additional fee to the lender or Veteran

# General Comments

- ▶ When contacting the office of jurisdiction to withdraw a case, include the appraiser on the email. This saves us a step
- ▶ Include the VA LIN in the subject line for all inquiries to the VA as well as the topic of the email
- ▶ Before contacting VA with questions, it is important to read the VA Lenders Handbook and recent circulars pertaining to the inquiry



# General Comments, Continued

- ▶ SARs should only condition for VA MPRs on the NOV and not lender requirements
- ▶ Document, document, document your actions on each review in WebLGY

# Questions



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