

Liquidation Appraisal Interior Access Attempts

1. Purpose. The purpose of this Circular is to announce changes to VA's procedural requirements regarding VA Fee Appraiser's responsibility to gain interior access for liquidation appraisal assignments when the subject property is occupied.

2. Background. The VA Lender's Handbook (VA Pamphlet 26-7, Chapter 11, Topic 20, Part d.) provides the access requirements for an occupied property undergoing liquidation. It stipulates that the appraiser must gain access to the interior of the property if occupied unless one of four listed circumstances exist. One of these circumstances is bullet item 3 of Part d. which states, "*at least one attempt to visit the property and two or more calls, on different days and times to increase the likelihood of reaching the occupant, have not resulted in access.*" This has been interpreted as a requirement for a physical onsite visit to the property, knocking on the subject door and attempting to make contact with an occupant.

3. Action. Effective immediately, VA will no longer require a property visit and/or knock on the subject door as one of the interior access attempts for a liquidation assignment of an occupied property. When a property is occupied, three (3) documented attempts to make contact electronically (phone calls, text messages, or email) over a minimum timeframe of two (2) working days will be sufficient to proceed with an exterior-only report. Attempted contact shall be spaced out and not be double-called or attempted back-to-back. All attempts should be documented in the appraisal report and in case notes. Preliminary attempts to determine occupancy status by contacting various parties are not contact attempts to gain access to a property that has been confirmed to be occupied. All other requirements in Topic 20 of the Lender's Handbook remain in effect.

4. Rescission: This Circular is valid until rescinded.

By Direction of the Under Secretary for Benefits

John E. Bell, III
Executive Director
Loan Guaranty Service

Distribution: CO: RPC 2022
SS (26A1) FLD: VBAFS, 1 each (Reproduce and distribute based on RPC 2022)