

Appraisal Assignment Waterfall

Important: VA's willingness to accept appraisal reports completed via Exterior-only Appraisals and Desktop Appraisals is **not** a substitute for an assessment by a VA fee panel appraiser as to the appropriate Scope of Work and whether a credible report may be delivered for the subject property.

Mortgage Purpose	Appraisal Required?	Down Payment	Acceptable Appraisal Types
Purchase ¹	Yes	20%	Interior Appraisal Interior Appraisal under Assisted Appraisal Processing Program (AAPP) Exterior-only Appraisal Exterior-only Appraisal under AAPP Desktop Appraisal
Purchase	Yes	None or less than 20%	Interior Appraisal Interior Appraisal under AAPP <i>Under limited circumstances²</i> Exterior-only Appraisal Exterior-only Appraisal under AAPP Desktop Appraisal
Cash-out refinance	Yes	-	Interior Appraisal Interior Appraisal under AAPP
Interest Rate Reduction Refinancing Loan (IRRRL)	No	-	<i>Appraisal waived</i>

¹ Exterior-only Appraisals and Desktop Appraisals are acceptable if all of the following is true:

- Down payment of 20% or more
- Lender is Lender Appraisal Processing Program (LAPP)-approved
- Purchase price does not exceed the conforming loan limit for the property jurisdiction
- Dwelling is a single family (1-unit) home that is not:
 - A manufactured home or condominium
 - Located on a leasehold estate
 - Undergoing renovation

² Lenders may also opt for an Exterior-only Appraisal or Desktop Appraisal when a case for a purchase transaction remains unassigned in VA's system for more than 7 business days and all of the following is true:

- Lender is LAPP-approved
- Purchase price does not exceed the conforming loan limit for the property jurisdiction
- Dwelling is a single family (1-unit) home that is not:
 - A manufactured home or condominium
 - Located on a leasehold estate
 - Undergoing renovation