



Department of Veteran Affairs Loan Guaranty Service SAR Newsletter

2nd Edition
May 2010

Welcome to the Second Edition of the LAPP SAR Newsletter.

IMPORTANT THINGS TO KNOW

The LAPP SAR application, 26-0785, Lenders Staff Appraisal Reviewer (LSAR) Application, and processing fee, should be sent to the VA Austin address listed on Circular 26-09-13, Centralization of LAPP and SAPP Programs. All VA lender and underwriter applications must continue to be sent to the Regional Loan Center of jurisdiction. VA Regional Loan Center contact information is available at: www.homeloans.va.gov/rlcweb.htm

Hey, did you know...?

Trouble logging into the VA Portal?

1. Make sure your caps lock is turned off.
2. Be sure to write down your password and place it in a secure location.
3. Contact the VA Portal Help Desk: vip.vbaco@va.gov. Be sure to provide your user name and the last four digits of your SSN.



Getting around:

Main VA Loan Guaranty Website:
www.homeloans.va.gov

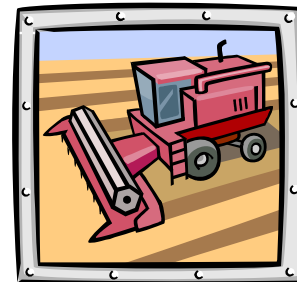
SAR Website:
www.homeloans.va.gov

VA Information Portal (VIP) Website:
<https://vip.vba.va.gov/portal/VBAH/Home>

General SAR Appraisal Review Tips:

Review the appraisal report including sketch, photos and location map to ensure the appraisal is complete, consistent, and the conclusions appear reasonable. The SAR should contact the appraiser and request them to correct any significant errors, omissions, or discrepancies or the SAR should address those deficiencies themselves prior to issuance of the Notice of Value.

Digging in Deep: A further exploration of the importance of location in the VA appraisal and its review by the SAR



It is axiomatic that the three most important factors in an appraising a property are location, location and location.

However, what does that mean to the reviewer of the appraisal report?

It means the reviewer should look at the report with particular emphasis on the subject property location.

Some examples of potentially adverse or negative property or site locations may be when a home is:

- near an airport or in a designated airport noise zone;
- near or adjacent to commercial, business, or industrial land uses;
- near or adjacent to multi-family or apartment buildings, mobile-home or trailer parks, etc.;
- near or adjacent to a primary arterial thoroughfare with heavy vehicular traffic;
- near or adjacent to a freeway, highway, active railroad lines, etc.

The VA fee appraiser should have disclosed and described the subject property's location in their report including any surrounding or nearby conditions, land uses, environmental factors, hazards or nuisances which may significantly impact on the livability, marketability, or value of the property.

For example on URAR Page 1 under Site, the appraiser is supposed to address adverse or negative factors:

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?

// Yes // No - If Yes, describe _____

If the VA fee appraiser has properly analyzed the subject property/site and its location and fully discloses and describes any adverse site conditions and external factors, then the subject location has been acceptably reported. The next step is the VA fee appraiser should have appropriately addressed the impact of any adverse site conditions and external factors in the Sales Comparison Analysis

(market grid) on URAR Page 2. This would be reflected in site/location adjustments having been made to the comparable sales as supported by the market.

But the question arises: How does the reviewer know whether the appraiser correctly reported the subject property location in their report? Generally, the reviewer should accept the appraiser's representation of the subject property location unless there is evidence indicating otherwise.

There are two appraisal exhibits which should be closely reviewed. 1) The subject property photos (front view, rear view and street scene) may often show the properties, improvements, or features located next to or near the subject home. The street scene photo should show the type of road or street the subject property is on. If the street scene photo shows a street with 4 or more lanes and moving vehicles, this is an indication that "traffic" is probably a location factor which the appraiser should have disclosed or described in their report. 2) The subject property location map should be looked at closely. Is there an indication the subject property is on or near a major arterial thoroughfare? Near an airport? Near shopping, business or commercial centers? Near a freeway or highway?



Near RR lines?

It may be helpful to use an on-line map web-site when reviewing the subject property location. Some of the most common on-line map websites are

provided below. However, This is not a recommendation or endorsement of any map website.

<http://maps.google.com/>
<http://www.mapquest.com/>
<http://maps.yahoo.com/>
<http://www.bing.com/maps/>

Most of these map tools have “zoom” functions which allow you to zoom in on the subject property location and identify nearby or neighboring land uses.

Given that location, location, and location are perhaps the most important factors to be considered in the appraisal of a property, the VA fee appraiser and the VA appraisal reviewer should spend sufficient time and make the necessary efforts to ensure that the subject property location was adequately reported in the appraisal and considered in the valuation of the subject property.

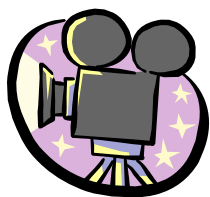


TRAINING NEWS AND ANNOUNCEMENTS

The SAR LAPP Training schedule is posted on the SAR Information Website:
<http://www.homeloans.va.gov/sar.htm>.

Additional VA Lender and Appraiser Training and Broadcasts are on-line:

www.homeloans.va.gov/broadcast.htm



Keeping Current with VBA Circulars

New & old VBA Circulars are on-line:

www.homeloans.va.gov/new.htm

Recent Changes to VA Processing of SAR Applications:



CENTRALIZATION OF LAPP & SAPP PROGRAMS

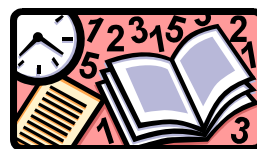
www.homeloans.va.gov/circulars/26_09_13.pdf

www.homeloans.va.gov/circulars/26_09_13_change1.pdf

Help is only an e-mail away.

For questions about a specific VA case, appraisal, or NOV, please e-mail the local VA Regional Loan Center of jurisdiction.

For questions on general SAR issues such as applications, training, completion of test case requirements, etc., please e-mail us at SARSUPPORT.VBACO@va.gov



Let us know of any additional SAR topics which you would like to see covered in our next Newsletter and we will see what we can do. We are here to serve your interests and needs as VA SARs. Thank you.