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**[www.vba.va.gov/rostpaul.htm](http://www.vba.va.gov/rostpaul.htm)**

March 6, 2006

REGIONAL LOAN CENTER MEMORANDUM NO. 06-02

TO: APPRAISERS AND LENDERS

SUBJ: MANUFACTURED HOME APPRAISAL REPORT

**PURPOSE**

The purpose of this circular is to provide information to program participants on the use of the new *Manufactured Home Appraisal Report* (Freddie Mac Form 70B/Fannie Mae Form 1004C, dated March 2005) for Department of Veterans Affairs (VA) manufactured home appraisals.

**BACKGROUND**

At the present time, VA appraisal reports for manufactured homes (MH) appraised as real estate are required to be completed on the same appraisal report form as site-built, single-family residences, the *Uniform Residential Appraisal Report* (URAR), Freddie Mac Form 70/Fannie Mae Form 1004.

Our analysis of the new *Manufactured Home Appraisal Report* has resulted in the determination that its use is preferable to the URAR for MH appraisals, as it was specifically designed to identify MH information in detail and should allow for a more comprehensive and consistent MH appraisal report that is easier to prepare and read.

**DETAILS**

- a. Effective immediately, the *Manufactured Home Appraisal Report* (dated March 2005) may be used for all VA appraisals for manufactured homes.
- b. On April 1, 2006, the use of the *Manufactured Home Appraisal Report* (dated March 2005) becomes **mandatory** for all VA manufactured home appraisals. MH appraisals that are completed on or after April 1, 2006, using any other form will be unacceptable to VA.
- c. The new *Manufactured Home Appraisal Report* is available online at Fannie Mae's website: <http://www.efanniemae.com/sf/formsdocs/forms/1004c.jsp> and at Freddie Mac's website: <http://www.freddiemac.com/sell/forms/>.
- d. The new *Manufactured Home Appraisal Report* form must be acceptably completed, including entries for all relevant questions based on personal observation. In addition, VA fee appraisers must identify and require correction of deficiencies or conditions necessary to ensure the subject property meets applicable VA minimum property requirements.

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e. Fee appraisers are expected to be familiar with State and local code laws or regulations in their locality governing manufactured homes (such as missing HUD labels, alterations, modifications, additions, component replacements) and to make appropriate requirements for compliance.

f. The Cost Approach is not required for VA purposes, but may be completed to supplement the indicated value in the Sales Comparison Approach. Since VA relies exclusively on the sales comparison approach to value (except in very unusual circumstances), the VA value estimate (market value) should never exceed that indicated in the Sales Comparison Approach.

g. There are no other changes to VA policies on manufactured housing as a security of a guaranteed mortgage other than those outlined in this memorandum.

### **CONTACT**

Any questions should be directed to the Construction & Valuation Section of the St. Paul Regional Loan Center, (800) 827 0611 extension 5421 or by email to [vaappraisal.stpaul@vba.va.gov](mailto:vaappraisal.stpaul@vba.va.gov).

/s/ D. F. MUNRO  
D. F. MUNRO  
Loan Guaranty Officer

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## Clarification to RLC Memorandum 06-02

There is some confusion on the use of the Manufactured Home Appraisal Report for VA purposes. This report is mandatory on manufactured homes, not on “other manufactured homes” as outlined in section 10.05 of the VA Lender’s Handbook. Other manufactured homes are also known as modular homes and are assembled and/or finished on site, not in the factory.