

Agreement of Sale/Sales Contract to be Provided to the Fee Appraiser

1. Purpose. The purpose of this Circular is to announce the continuation of previously active policy that the Department of Veterans Affairs (VA) requires a copy of the agreement of sale or sales contract be provided to the fee appraiser by the requester of the VA appraisal immediately upon assignment.
2. Background. When the value opinion to be developed is market value, Uniform Standards of Professional Appraisal Practice (USPAP) requires an appraiser to analyze all agreements of sale, options, or listings of the subject property, current as of the effective date of the appraisal, if such information is available to the appraiser in the normal course of business.
3. Details. VA believes that the fee appraiser must have access to such information to ensure that the estimate of value represents a proper value, which includes consideration of financing data, sales concessions, or property conditions typically contained in the agreement of sale. Furthermore, for VA loan origination purposes, VA expects that the agreement of sale is available, or will be available, to the requester of a VA appraisal to provide to the appraiser.
4. Actions. The requester of a VA appraisal must provide a copy of the agreement of sale and all addenda to the appraiser immediately upon assignment, but not later than 1-business day after the date of assignment. The assigned VA appraiser will analyze the agreement of sale and consider that analysis in establishing the fair market value of the property and any effect on VA minimum property requirement repairs. Should the requester fail to provide the agreement of sale to the appraiser, the appraiser will, upon notice to the requester, hold the assignment and notify VA of the delay.
 - a. If the agreement of sale is amended during the process, the requester must provide the updated contract to the appraiser. Depending on the amount of time and/or the extent of any change to the originally considered agreement of sale, the circumstances may warrant the appraiser considering such change to constitute a new assignment under USPAP and an additional fee may be warranted up to the full amount of a new fee. Disputes in regard to any such additional fees should be referred to the Regional Loan Center of jurisdiction.
5. Questions. All inquiries on this Circular should be sent to colenders@vba.va.gov.
6. Rescission: This Circular is rescinded January 1, 2017.

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By Direction of the Under Secretary for Benefits

Michael J. Frueh
Director, Loan Guaranty Service

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