

To: Loan Guaranty Service Personnel

Subject: Transmittal of Change 1 to M26-2, Construction and Valuation Policies, Procedures, and Methods, Chapter 1

Purpose Attached are revisions to Chapter 1, VA M26-2, Construction and Valuation Policies, Procedures, and Methods.

Chapter 1 of VA Manual 26-2 was revised in support of implementing Public Law 117-308, Improving Access to the VA Home Loan Benefit Act of 2022.

Changes References to compliance inspectors have been removed throughout this chapter as compliance inspections are no longer required when processing VA-guaranteed loans.

Topic 1.01 includes an update that the Appraisal Subcommittee's list of appraisers and state licensing board rosters which are published online may be used to recruit appraisers. An update specifies that a list of counties where appraisers are needed will be posted online and that VA will assist appraisers in collecting appraisal fees that are over 60 days past due.

Topic 1.02 includes information from other topics in the previous version of this chapter which was consolidated in a list of requirements for appraisers to be appointed to the fee panel. The requirement for the number of reference letters was reduced to two letters from other appraisers. The experience requirement was clarified that the two years on probation could count towards the required five years. A clarification is provided that experience may include work that is related to appraising, that the applicant does not have to have held an appraisal license for five years.

Topic 1.03 updates the fee panel appointment process for consistency with the current organizational structure. The Assistant Valuation Officers will process appointments of appraisers to the fee appraiser panel. The probationary period has been increased from one year to two years. Valuation Officers may remove appraisers from the fee panel during the probationary period.

Topic 1.05, Exemption to E-Appraisal, was deleted since all VA appraisal reports are now transmitted electronically.

May 28, 2024

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Topic 1.07, VA Use of Other Technical Fee Personnel, was deleted since VA no longer uses contract personnel to review appraisal reports.

Topic 1.08, Fee Appraiser Training, is now Topic 1.06. This topic was updated to add quarterly appraiser training and note that training may be conducted online.

**Additional
Copies**

Additional copies may be downloaded at
https://www.benefits.va.gov/WARMS/M26_2.asp.

Recissions

Not applicable.

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