



ATLANTA VA REGIONAL LOAN CENTER CONSTRUCTION AND VALUATION FEE PANEL NEWSLETTER

Volume 1, Issue 1

April 10, 2007

Once a quarter we anticipate sending out a newsletter to keep our fee panel appraisers updated on the happenings of the Construction and Valuation section of the Atlanta VA Regional Loan Center, as well as policy changes established by our Central Office in Washington, DC. *Items printed in italics should be considered policy and supersede other previously established guidelines on policies.* If you have any comments please contact one of the representatives at our office.

Annual Meeting

Central Office (CO) has waived the annual requirement for fee appraiser training this year. This means that we will not have the typical mandatory training sessions that we have had in the past. We will be using alternate ways to get important information out to you. This newsletter is one example. We also anticipate sending more emails to you; therefore, it is imperative that you keep your information in The Appraisal System (TAS) up-to-date.

Central Office did indicate they may develop some national training. National training by CO is typically presented in a video format using live broadcast or streaming video. We will keep you informed of any planned or required training.

Site Value

Effective immediately the site value is no longer required on VA appraisal reports. The site value on page three of the URAR must not be provided unless the full cost approach is developed. If the full cost approach is developed then land sale comparables must also be provided to support the site value (Loan Guaranty Conference Call, February 28, 2007). It has been determined by CO that the site value on the URAR was being inappropriately used by other entities.

Multiple Parcels

Excessive land should be assigned a true value, or market value (Loan Guaranty Conference Call, February 28, 2007). Some appraisers have been providing a less than market value or not including the excess land at all. This method of valuation punished the veteran and put the VA program at a disadvantage compared to other financing programs.

Rescission of Circulars

Although the following circulars have a rescission date of January 1, 2007, they remain in effect and you are expected to continue to follow the policies/procedures prescribed in each one:

- *Circular 26-04-05, The Department of Veterans Affairs as Client on VA Appraisals.*
- *Circular 26-04-04, Request for Reconsideration of Value on VA Appraisals.*
- *Circular 26-03-11, New Procedures for Improving Communication with Fee Appraisers and Streamlining Reconsiderations of Value.*

(Loan Guaranty Conference Call, February 28, 2007).

Repairs

On a purchase or refinance appraisal only the repairs necessary to bring the home into compliance with VA Minimum Property Requirements (MPRs) should be required (**Lender's Handbook, VA Pamphlet 26-7, 11.09**).

On liquidation appraisals all repairs necessary to bring the home into compliance with VA MPRs and those repairs which are cosmetic but affect the marketability of the property must be provided (**Lender's Handbook, VA Pamphlet 26-7, 11.13**).

Customer Service

All VA appraisers must conduct themselves in an ethical and professional manner.

- Be courteous to all program participants and the general public.
- Do NOT make comments or derogatory remarks of any kind.
- Do NOT discuss repairs with the buyer or seller. Repairs are not finalized until VA or the Staff Appraisal Reviewer (SAR) has reviewed the appraisal report.

Appraisers must be available during normal business hours for assignment and telephone calls. All calls and inquires should be answered within 24 hours.

Timeliness

Effective immediately the timeliness standard for origination appraisals in GA, NC, SC, and TN is seven (7) business days based on a recently completed timeliness survey. The timeliness standard for liquidation appraisals continues to be five (5) business days from the date the assignment was received or five (5) business days from the date access was provided on vacant properties. (<http://www.vba.va.gov/ro/atlanta/rlc/CNV/c&vmain.htm>)

The timeliness standard is meant as a maximum. Comments such as "I have 7 days and I am not going to do it until then" or "I will not be back in that area until..." are not acceptable.

If there is a valid reason for a case to be delayed the appraiser needs to send an email to the requestor and to 16/correspondence@vba.va.gov explaining the delay. Unless documentation is provided to the contrary, your timeliness will be from the date the assignment is made in TAS until you upload the report into TAS.

Common Errors on URARs

Here are some of the most common errors found during our reviews.

- Failure to provide the certifications listed on page 3 of the appraisal example in the 2006 fee appraiser meeting handout.
- The data source for sales history is not specific (clarify type of public record).
- Failure to provide remaining economic life.
- Failure to provide condition of septic system and impact of system type on value.
- Failure to provide availability of public water and/or sewer.
- Missing floor sketch or foot print. All VA appraisals must have a floor sketch included in the report whether it was measured by the appraiser or not. This includes liquidation reports where you are basing your square footage on a tax card.
- Failure to correct erroneous information on the upload page of VA's eAppraisal system.
- Failure to explain purpose of HOA fees in PUD section of appraisal report.
- Location maps with insufficient detail, road names, and/or readability. VA staff may begin asking you to take them to properties where you have provided an unacceptable location map or directions.
- Failure to complete current active listings and sales range at the top of the second page of the appraisal report.
- Failure to identify type of fireplace (vented/unvented)
- Failure to correctly mark road as public/private. A Public Road is defined as - A road open to public travel that is under the jurisdiction of and maintained by a public authority such as states, counties and local communities.

- Failure to identify if vacant liquidation properties are secured.
- Failure to provide the date access was gained on vacant liquidation properties.
- Inconsistency in the reporting of information throughout the appraisal report including the Gross Living Area.
- Submitting appraisal reports with security locks activated. eAppraisal prevents modification to the appraisal of record.
- Final value outside adjusted range of sales prices of comparables.
- Failure to follow procedures outlined in Circular 26-03-11. (<http://www.vba.va.gov/ro/atlanta/rlc/INFO/261-04-05.htm>)

Fees

During our recently completed fee survey we only received responses from around 4% of our appraisers indicating our fee structure was substandard.

Contact Information

The latest contact information can always be found online. (<http://www.vba.va.gov/ro/atlanta/rlc/contact.htm>)

Regional Loan Center fax – **404-929-5392**

Regional Loan Center phone – **888-768-2132**

General correspondence email address:

16/correspondence@vba.va.gov

Staff	Terminal Digits (Last two digits of VA case number)	Ext
Andrew Plyler	00-09	5486
Marie Arnold	10-19	5394
Tom Watson	20-28	5406
Herb Fenster	29-36	5415
Marilyn Evans	37-44	5416
DeLloyd Wilson	45-54	5381
Tim Greer	55-63	5475
Maria Sanders	64-73	5383
Lucius Gundy	74-82	5384
Don MacDonald	83-91	5382
Lia Solursh	92-99	5385

Assistant Valuation Officer
Gerald Williams 5389

Valuation Officer
Randy Rudeseal 5386

Questions/Comments

If you have comments concerning topics in this newsletter or issues you would like included in the next newsletter please email them to the general correspondence mailbox.