



**U.S. DEPARTMENT OF VETERANS AFFAIRS**  
**Regional Office, Fort Snelling**  
**1 Federal Drive**  
**St. Paul, MN 55111-4050**

August 18, 2000

REGIONAL LOAN CENTER MEMORANDUM NO. 00-18

TO: ALL LENDERS

SUBJ: REVISED VA PAMPHLET 26-7, VA LENDER'S HANDBOOK

1. The Department of Veterans Affairs (VA) has published a major revision of the entire *VA Lender's Handbook*. This revision went into effect on August 1, 2000. The revised handbook can be downloaded from the Loan Guaranty website in Microsoft Word format at <http://www.homeloans.va.gov/handbook.htm>. You should make the new handbook available to all personnel dealing with the VA Home Loan Program, either as a hard copy or on your company Intranet.
2. The revised handbook has multiple changes relating to the Construction & Valuation section. Many of these changes affect the Lender Appraisal Processing Program (LAPP). Among the major changes are:
  - The "special exception" program has been replaced with a one-year builder warranty.
  - Condominium and PUD unit appraisals are to be completed on the Individual Condominium or PUD Unit Appraisal Report form.
  - Multi-family appraisals are to be completed on the Small Residential Income Property Appraisal Report form.
3. LAPP has been extended to allow proposed and new construction cases, multi-family cases and manufactured housing cases to be processed by staff appraisal reviewers. There are also changes to the Notice of Value that you must implement as soon as possible.
4. There is a phase in period until January 1, 2001, to implement the revised requirements. After this point, they become mandatory. LAPP lenders who wish to process the extended appraisal types must be aware of the requirements set forth in the revised handbook. All staff appraisal reviewers should have a copy of the revised handbook.

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