



**DEPARTMENT OF VETERANS AFFAIRS**  
Regional Office  
1240 East Ninth Street  
Cleveland OH 44199

November 26, 2004

**In Reply Refer To:** 325/262  
Information Letter 26-04-19

**TO: ALL VA PROGRAM PARTICIPANTS DOING BUSINESS IN OHIO,  
DELAWARE, INDIANA, MICHIGAN, NEW JERSEY AND PENNSYLVANIA**

**SUBJ: RESTATEMENT OF POLICY REGARDING VA AS THE CLIENT ON  
VA APPRAISALS**

**1. Purpose:** The purpose of this release is to remind VA program participants of important VA policy as contained in the VA Circular 26-04-05 dated May 7, 2004. That VA circular, containing the information below, was released as a result of a change in the Uniform Standards of Professional Appraisal Practice (USPAP) for 2004. Specifically:

- a. VA will now be named as the client on the Uniform Residential Appraisal Report (URAR).
- b. The intended user of the appraisal will be shown by type on the URAR, not by name. This should eliminate most requests for lender/client name changes on the URAR when the case is reassigned between lenders.
- c. This will avoid any conflict with the prohibition on using "readdressed appraisals", as stated in USPAP and as communicated by the Appraisal Standards Board (ASB) in Advisory Opinion 26 (AO-26) - Readdressing (Transferring) a Report to Another Party.

**2. Background:** To sell their loans on the secondary market, lenders have typically required an appraisal report that supported the value and contained the name of their institution as the lender/client.

- a. VA has conferred with the major purchasers of VA guaranteed loans on the secondary market and none have a requirement that the lender's name be on the appraisal for a VA guaranteed loan.
- b. USPAP Standards Rules 1-2(a) and 1-2(b); 7-2(a) and 7-2(b); and 9-2(a) require an appraiser to identify the client, intended users, and intended use.
- c. It has always been the position of VA that the client on VA appraisals is The Department of Veterans Affairs. This is supported by VA requirements that appraisal assignments be made by VA from VA fee appraiser panels and that appraisals must be conditioned with VA minimum property requirements.
- d. The intended use for VA appraisals has always been for residential loan purposes and the intended user has always been any approved VA lender. This has not changed.

- e. In the past appraisers were able to easily change the name of the lender on the URAR, but under new USPAP requirements appraisers can no longer simply make a lender/client name change.

**3. New Fee Appraiser Requirement:**

- a. Fee appraisers will insert "Department of Veterans Affairs" after lender/client on the URAR on all VA case assignments.
- b. Fee appraisers will identify the type of intended user by inserting "Intended User - Any VA approved lender" on the lender/client line following "Address".

**4. Related Policy:**

- a. There is no change in the procedures for ordering an appraisal/case number by requesters in TAS.
- b. Lender's that continue to require their name on the URAR must negotiate and pay the appraiser directly and may not charge the veteran. VA will not object to the appraiser accepting this new assignment.

**5. What if There are Questions?**

Questions concerning this information letter may be directed to the Construction and Valuation Section (C&V) by e-mail at [325CNV@VBA.VA.GOV](mailto:325CNV@VBA.VA.GOV) or by telephone at 216-522-3610, option #4, or toll free at 1-800-729-5772, option #4.

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Loan Guaranty Officer