

November 6, 2001

Loan Guaranty Letter 01-21
262-6

SUBJ: Environmental Protection Agency (EPA) Designation

Purpose of This Release

The Environmental Protection Agency (EPA) has designated the entire town of Libby, Montana as an EPA Superfund site. It is our understanding that EPA has not established any criteria or standards for measuring unacceptable levels of contamination as of this date. Consequently, the Department of Veterans Affairs (VA), in concert with the Department of Housing and Urban Development (HUD), has determined that government loans can still be made on properties located in Libby, Montana. However, veteran borrowers must be made aware of the designation and appraisers should consider the impact of the designation on value.

What Appraisers Should Do

Appraisals assignments completed for properties located in Libby, Montana must address any impact the Superfund designation might have on value. The appraisal should contain the following statement:

"The home is located in a Superfund area. The United States Environmental Protection Agency (EPA) will/has evaluate(d) this home for amphibole asbestos. For more information call the EPA Information Center at (406) 293-6194."

What LAPP Staff Appraisal Reviewers (SARs) Should Do

All Lender Appraisal Processing Program (LAPP) Notices of Value (NOV) for properties in Libby, Montana must include the following statement:

"The home is located in a Superfund area. The United States Environmental Protection Agency (EPA) will/has evaluate(d) this home for amphibole asbestos. For more information call the EPA Information Center at (406) 293-6194."

There must also be a requirement for the veteran borrower to certify he/she is aware:

"The home is located in a Superfund area. The United States Environmental Protection Agency (EPA) will/has evaluate(d) this home for amphibole asbestos. For more information call the EPA Information Center at (406) 293-6194."

If You Have Questions

If you have any questions regarding this bulletin, please call (303) 914-5638.

VLINDA A. CHILDS
Loan Guaranty Officer

Distribution: Montana Fee Appraisers and SARs