

Department of
Veterans Affairs

Information Bulletin

December 28, 2001

Loan Guaranty Letter 01-27
262-9

SUBJ: Recision of Loan Guaranty Bulletin 01-21, Environmental Protection Agency (EPA) Actions in Libby, Montana. Change of Department of Veterans Affairs (VA) decision concerning EPA's letter of November 6, 2001.

Purpose of This Release

This Information Bulletin rescinds Loan Guaranty Bulletin 01-271 dated November 6, 2001. The change is being made to focus only on fee appraisers and lenders involved in VA loans in the Libby, Montana area.

The following bolded paragraph was released by EPA on November 6, 2001:

The Environmental Protection Agency (EPA) has been investigating asbestos contamination in Libby, Montana since November 1999. EPA has completed several cleanups under the Comprehensive Environmental Response, Compensation and Liability Act (Superfund) authority using the Superfund Trust Fund. EPA is considering proposing contaminated areas in and around Libby for designation as a National Priority List (NPL) site. NPL sites are commonly referred to as Superfund sites. 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. Veteran borrowers must be made aware of the Superfund status of the area and appraisers should consider it's potential impact on value.

What Appraisers Should Do

Appraisal 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:

“VA requires that the following statement appear on the Notice of Value for this property and be acknowledged in writing by the veteran purchaser: ‘I am aware that the Environmental Protection Agency (EPA) has been investigating asbestos contamination in Libby, Montana since November 1999, and that EPA is considering proposing contaminated areas in and around Libby for designation as a National Priority List/Superfund site. More information is available from EPA at (406) 293-6194.’ There are no other VA requirements regarding this situation that I have taken into consideration in my valuation.”

Page 2

What LAPP Staff Appraisal Reviewers (SARs) Should Do

SARs will make sure that the above statement is on the NOV and obtained from the veteran purchaser.

If You Have Questions

If you have any questions regarding this bulletin, please call 1 (888) 349-7541.

VLINDA A. CHILDS
Loan Guaranty Officer

Distribution: Montana Fee Appraisers and SARs