

Regional Office
155 Van Gordon
Box 25126
Denver, CO 80225

Department of
Veterans Affairs
December 3, 2002

Information Bulletin

Loan Guaranty Letter 02-15
262-5

SUBJ: Liquidation Appraisal Timeliness

Purpose

We advised you on April 19, 2002, that effective June 1, 2002, fee appraisers must complete liquidation appraisal assignments in five business days. This Information Bulletin is to reinforce the importance of this timeliness standard and to provide you with some information regarding this standard.

Why is Liquidation Appraisal Timeliness Important

This liquidation appraisal timeliness standard has been re-established because of the number of foreclosure sales being missed and the attendant cost to the government of such "passed sales". The Department of Veterans Affairs (VA) has a very strong commitment to reduce the number of homes veterans lose through foreclosure. We have a program designed to reduce the foreclosure rate by working with veterans and loan servicers to provide alternatives to foreclosure. The value indicated on the liquidation appraisal report is an important tool in this process. Consequently, the appraisal report must be submitted timely in order for this process to work properly. The savings to the government can be substantial every time we are successful in providing alternatives to foreclosure.

What We Are Asking You To Do

We are asking you to help us by giving top consideration to liquidation appraisal assignments and complete them within five business days.

It remains VA's policy that you must gain access to vacant properties. If you need assistance with this process, please call us at 1-888-349-7541.

You must make three attempts to gain access to any occupied properties. If access is denied during any of these three attempts, you are to complete the appraisal report based on an exterior inspection of the property. You have to make your three access attempts in a manner that will not delay the completion of the appraisal report and cause you to miss the five-day timeliness requirement.

We understand there are times when it is not practical or in the best interest of our program to force appraisals through simply to meet our timeliness standard. VA will accept logical explanations for tardiness beyond your control. However, we expect you to contact us prior to the end of the five business day timeframe if there are delays beyond your control, and will cause you to be outside the timeliness standard. We will advise you of the course of action we would like you to take and ask you to document your appraisal report accordingly.

What We Will Do

We will continue to work with Loan Administration to re-emphasize the need for loan servicers to enter complete and accurate data on the appraisal request form. VA Central Office is working with national industry representatives to find ways to make this process work as efficiently as possible.

We will be looking at adding additional appraisers to areas where timeliness is a problem and can be improved by adding additional fee panel members.

In Closing

We sincerely thank you for your cooperation in this matter and for your support of the VA Home Loan Program. We understand the heavy workload and the frustrations that come with being an appraiser. As VA Fee Panel members, you are assigned work on a rotational basis. This is work that you do not have to solicit. We ask that you consider this factor when helping us attain our goals.

VLINDA A. CHILDS
Loan Guaranty Officer

Distribution:
Alaska, Colorado, Idaho, Montana, New Mexico, Oregon, Utah, Washington, and Wyoming Fee Appraisers