



**Department of Veterans Affairs
Regional Loan Center
Norris Cotton Federal Building
275 Chestnut Street
Manchester NH 03101**

APR 01 2009

In Reply Refer to: 373/26

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TO: VA Program Participants

SUBJ: Fannie Mae Market Conditions Addendum, Form 1004MC

MARKET CONDITIONS ADDENDUM TO VA APPRAISAL

1. **PURPOSE.** The purpose of this circular is to announce that, effective no later than April 1, 2009, VA will require appraisers to include Fannie Mae Market Conditions Addendum, Form 1004MC, in all VA appraisal reports.

2. **DETAILS.** Due to current conditions in the real estate market, Fannie Mae recently announced that it is establishing additional appraisal requirements to supplement the minimum standards set forth in the Uniform Standards of Professional Appraisal Practice. Specifically, Fannie Mae is requiring appraisers to document an overview of neighborhood market conditions and trends in using Fannie Mae Market Conditions Addendum, Form 1004MC. Instructions for completing this form may be found in Fannie Mae's Announcement 08-30, dated November 14, 2008, at <https://www.efanniemae.com/sf/guides/ssg/annltrs/pdf/2008/0830.pdf>. Following suit with the industry, VA will require appraisers to include this form in all VA appraisal reports. VA will monitor the impact of this new industry requirement on appraisal fee and make adjustments as appropriate.

Who Should You Contact With Questions?

Please contact one of our Staff Appraisers at (800) 827-6311 extension 6 if you have any questions.

A handwritten signature in black ink, appearing to read "William F. Dallmann".

William F. Dallmann
Loan Guaranty Officer