



DEPARTMENT OF VETERANS AFFAIRS

Regional Loan Center
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Website: <http://www.vba.va.gov/ro/phoenixlgy/index.htm>

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Loan Guaranty Information Bulletin No. 26-02-09

SUBJ: LIQUIDATION APPRAISALS

The purpose of this bulletin is to inform Department of Veterans Affairs (VA) fee panel appraisers in Arizona, California and Nevada of changes to our liquidation appraisal policy.

What prompted these changes?

Recent meetings with mortgage loan servicing industry representatives have identified three areas that need improvement in order to decrease the number of foreclosure sales being postponed, and the resulting additional costs to VA. These three areas are: (1) access to secured vacant properties; (2) timely completion of the liquidation appraisal; and, (3) the need to provide a copy of the URAR to the holder/servicer by E-Commerce.

What has changed?

- On vacant properties secured by the holder/servicer, satisfactory arrangements for your access to the property must be provided. In the event you cannot gain access on vacant properties and you cannot resolve this in a satisfactory manner with the holder/servicer, you will need to e-mail us with the case number followed by the words "LIQ ACC". This message should be sent to our liquidation mail box (45/Liquidations@VBA.VA.GOV). We will ask our Loan Administration department to contact the holder/servicer to resolve any issues. Timeliness standards will be suspended for the time needed to gain access to the property.
- Fee Appraisers will now be allowed five-business days for completion of the Liquidation Appraisal Assignment. Interior access is critical in the appraisal process in ensuring that a proper appraisal has been performed considering all existing conditions of the subject property. You are required to do all you can to gain access. As a reminder, if you are denied access on occupied properties, an exterior appraisal can be made if you are permanently refused access, three appointments are broken; access is considered a hazard by the appraiser, or three or more attempts to call the number(s) provided with the report has resulted in no access. Obviously, you must continue to document the reason(s) for not gaining access.

- Appraisers will now provide a copy of their liquidation appraisal report directly to the appraisal requester in the same manner as in the Lender Appraisal Processing Program (LAPP). When the requester provides you an e-mail address in Block 5 of VAF 26-1805-1, forward a copy of the report to the requester at the same time that you are sending us our report.

What if there are questions?

Questions concerning VA's liquidation appraisal policy may be directed to the Construction and Valuation Section by e-mail at vavbapho/ro/cvgc@vba.va.gov or by telephone at 602-627-3050.

/Signed/

ROBERT JOHNSON
Loan Guaranty Officer

Distribution: All Lenders, holder/servicers, Fee Appraisers