



DEPARTMENT OF VETERANS AFFAIRS

**Regional Loan Center
3333 N. Central Avenue
Phoenix, AZ 85012-2436**

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

December 3, 2007

Loan Guaranty Information Bulletin No. 26-07-10

**SUBJ.: Schedule of Appraisal and Inspection Fees for Arizona,
California, Nevada, and New Mexico**

PURPOSE:

While the services of qualified Compliance Inspectors (CI) are critical to the successful management of the Specially Adapted Housing grant administration process, VA has traditionally had difficulty attracting qualified CIs in sufficient numbers. Recent surveys have found VA's inspection fee structure to be significantly lower than industry norms and have shown low fees to be the primary cause of inspector disinterest in the VA program. Consequently, effective November 1, 2007, inspection fees have been increased as shown in paragraph 5. Fees for appraisal assignments, including allowable fees for repair clearance inspections, remain unchanged. Additionally, paragraph 6 has been amended to clarify allowable mileage charges for both appraisers and inspectors who may be asked to travel outside their normal coverage areas.

1. INDIVIDUAL APPRAISALS (Except Condominiums)

a. Existing Properties:

	<u>AZ, CA, NV</u>	<u>NM</u>
1 family	\$400	\$400
2 family	\$550	\$475
3 family	\$550	\$475
4 family	\$550	\$475

b. Proposed Properties:

	<u>AZ, CA, NV</u>	<u>NM</u>
1 family	\$450	\$400
2 family	\$550	\$475
3 family	\$550	\$475
4 family	\$550	\$475

c. Miscellaneous Appraisals:

	<u>AZ, CA, NV, NM</u>
Liquidation (including condominium liquidations)	\$425
Partial Release	\$400
Manufactured Homes (on permanent foundation)	\$400
Appraisal Update	\$200

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2. MASTER APPRAISALS (Except Condominiums)

Fees are computed for each master (MNOV) appraisal on the following basis:

	<u>AZ, CA, NV</u>	<u>NM</u>
1. Each plan type (proposed construction)	\$450	\$400
Each plan type (existing construction)	\$400	\$400
2. Each lot	\$ 10	\$ 10
3. Optional Variations/Upgrades	\$25 per page	\$25 per page
Minimum fee per Appraiser	\$800	\$800

3. EXISTING CONDOMINIUM APPRAISALS

Condominium Unit (Existing individual unit)*	\$425	\$425
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[* must use Individual Condominium Unit Appraisal Report, Fannie Mae Form 1073/Freddie Mac Form 465]

4. MASTER CONDOMINIUM APPRAISALS

A one-time condominium project fee will be assessed the builder/developer on all proposed and existing master appraisal requests. The computation for master appraisal fees will be divided into two steps as shown in items a and b below, the combination of which shall constitute the "total master appraisal fee."

a. Horizontal, Low Rise, and High Rise Condominiums. The one-time fee for the **first** master assignment in a condominium project will be a flat \$500. (Repeat master appraisals in the same project should **not** be charged an additional project fee).

b. Additionally, the following will be used for computation of fees based on the number of units and plan types:

	<u>AZ, CA, NV</u>	<u>NM</u>
1. Each plan type (proposed construction)	\$450	\$400
Each plan type (existing construction)	\$400	\$400
2. Each unit	\$ 10	\$ 10
3. Optional Variations/Upgrades	\$25 per page	\$25 per page

c. Sample Computation: The project contains 100 units and 4 plan types:

	<u>AZ, CA, NV</u>	<u>NM</u>
Project fee (first time only)	\$ 500	\$ 500
4 plan types X \$450 (or \$400)	\$1,800	\$1,600
100 units X \$10 per unit	\$1,000	\$1,000
Total master appraisal fee	\$3,300	\$3,100

5. INSPECTION FEES

In accordance with Circular 26-06-01 dated February 15, 2006, compliance inspections are no longer required for proposed or under construction properties. They are required only for Specially Adapted Housing (SAH) construction or remodeling.

	<u>All States</u>
a. Footing inspection (Prior to the placement of concrete)	\$150
b. Slab inspection (Prior to the placement of concrete)	\$150
c. Framing inspection (Prior to installation of insulation and drywall)	\$200
d. Final inspection (After all construction related work is complete)	\$200

Note: The allowable fee for an inspection conducted by a Fee Appraiser to verify completion or installation of repair items or customer preference items listed on the appraisal report remains unchanged at \$100.

6. TRAVEL FEES

Additional charges for time or mileage are generally **not** authorized for appraisals or inspections performed within the appraiser/inspector's designated coverage area, which may consist of multiple cities or counties. If an appraiser or inspector is requested or assigned by VA to perform an appraisal or inspection outside of the fee person's normal business area, an additional fee may be charged **only** for that portion of travel beyond the normal business area. No mileage fees may be charged when the job site is 20 miles or less (40 miles round trip) from the appraiser or inspector's office or residence. The approved General Services Administration (GSA) mileage rate applies. The current rate is posted on our website at (http://www.vba.va.gov/ro/phoenixlgy/Appraisal_Fees.htm). Travel must be by the most direct route and the billing must include a breakdown of the mileage charges. It is the appraiser's responsibility to request mileage authorization, when appropriate, and to advise the requester in advance that mileage will be charged for that assignment. The Regional Office will issue written authorization (letter or e-mail from VA to the appraiser) on an as needed basis for those appraisers/inspectors entitled to charge travel fees. [Reference: Lender's Handbook, page 10-30.]

7. LATE CHARGES

Lenders and other appraisal requesters should note: VA Form 26-1805 (Request for the Determination of Reasonable Value) states:

"On receipt of 'Certificate of Reasonable Value' or advice from the Department of Veterans Affairs that a 'Certificate of Reasonable Value' will not be issued, we agree to forward to the appraiser the approved fee which **we are holding** for this purpose."

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If a payment has not been made within 30 days of billing, a reasonable late charge is authorized. Reasonable is defined as “no greater than \$10.00 per month after 30 days have elapsed from the date of billing.” ***Late charges are not to be charged to the veteran. LAPP lenders are responsible for their approved agents.***

Furthermore, in those cases where VA has received documented evidence of non-compliance with our prompt payment policy, appraisers may be given written VA authorization to collect the fee prior to performing the appraisal.

8. CANCELLATIONS

Lenders must notify the fee appraiser **and** VA if a case is to be canceled. A reasonable fee for partial work already performed may be charged at the discretion of the fee appraiser.

9. UNUSUAL OR COMPLEX CASES

In unusual or complex appraisal or compliance inspection situations that are not covered by this bulletin, fees will be set by the Valuation Officer, Phoenix Regional Loan Center. In these cases the fee appraiser must have written authorization from the requester with the fees clearly stated.

FOR ADDITIONAL INFORMATION

Questions concerning this fee schedule may be directed to the Construction and Valuation Section by e-mail at vavbapho/ro/cvqc@vba.va.gov or by telephone at 602-627-3050 (or toll free at 1-888-869-0194 extension 3050).

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GRACE COOPER
Loan Guaranty Officer

Distribution: All Loan Guaranty Program Participants

RESCISSION: LGIB 26-07-04, dated February 20, 2007