



DEPARTMENT OF VETERANS AFFAIRS

Regional Loan Center
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Phoenix, AZ 85012

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

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Loan Guaranty Information Bulletin No. 26-03-10

SUBJ: VA LAPP MASTER APPRAISAL PILOT PROJECT

The Department of Veterans Affairs (VA) Regional Loan Center, Phoenix, Arizona, is implementing a Lender Appraisal Processing Program (LAPP) pilot project to test the procedure of LAPP Staff Appraisal Reviewers (SARs) reviewing master (project) appraisals and issuing a Lender's Master Notice of Value (LMNOV).

WHAT IS THE PURPOSE OF THIS PROJECT?

The purpose of this pilot project is to demonstrate the potential time and cost savings associated with processing VA master appraisals by lenders. It is available only for owner-occupied purchase money transactions to be secured by single-family properties (including individual units in condominium and PUD projects).

WHAT IS THE PROCESS FOR IMPLEMENTATION?

To implement this pilot project, the Phoenix Regional Loan Center has executed a Memorandum of Understanding with Wells Fargo Home Mortgage, Countrywide Home Loans, and Irwin Mortgage to allow specific SARs, employed by them, to review and issue a LMNOV. All current VA property and appraisal policies governing LAPP apply to this pilot program. This includes, but is not limited to, the selection of the appraiser and compliance inspector, management of the appraisal process, and the lender's responsibility for the quality and accuracy of both the appraisal and the assessment of the marketability of the property. The appraisal review and issuance of the LMNOV must be done in accordance with the standards in the VA Lender's Handbook, VA Pamphlet 26-7, revised.

WHAT WILL THE EFFECT BE ON OTHER LENDERS?

The LMNOV and all supporting documents will be forwarded to VA in an electronic file format for quality review and establishment in The Appraisal System (TAS). This will allow any lender to obtain an individual case number for all Single Property Notice of Value (NOV) Issued from a Master (ONE cases). For HUD purposes, TAS MNOV status screens will indicate a MNOV has been issued.

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The conditions of the LMNOV will be identified on the NOV. Item 15 of the NOV will itemize the value of the subject plan type, subject lot premium, subject elevation, and all options included in the subject. The sum of these values will be used to determine the reasonable value of the subject property.

Any modification or endorsement to a LMNOV can only be completed by one of the specific SARs employed by the original lender who issued the LMNOV or by VA.

WHAT WILL THE EFFECT BE ON VA FEE APPRAISERS?

When a request for a master appraisal is received from one of the participating lenders (Wells Fargo Home Mortgage, Countrywide Home Loans, and Irwin Mortgage), a fee appraiser will forward a "ReWritable CD" containing the complete electronic master appraisal file to the originating lender instead of to the Phoenix Regional Loan Center. Please identify the "ReWritable CD" in accordance with the requirements of LGIB 26-03-09.

WHAT IF YOU HAVE QUESTIONS?

We will continually monitor this pilot project to identify areas where additional improvements can be made to our master appraisal program. If successful, we will make the LAPP master program available to other lenders who wish to participate. If you have any questions, please contact the Construction & Valuation Section, at 602-627-3050.

Sincerely,

//Signed//

ROBERT JOHNSON
Loan Guaranty Officer

DISTRIBUTION: Arizona, California, and Nevada Lenders, Builders, and Fee Appraisers