



DEPARTMENT OF VETERANS AFFAIRS  
Regional Office  
P.O. Box 1437  
St. Petersburg, FL 33731-1437

In Reply Refer To: 317/26

*April 20, 2006*

**INFORMATION BULLETIN 26-06-16**

**TO: ALL HOLDERS AND SERVICERS OF VA GUARANTEED  
LOANS IN PUERTO RICO**

**SUBJECT: VA LIQUIDATION APPRAISALS**

1. PURPOSE: This bulletin clarifies the requirement for appraisers to gain access to a property when performing a VA liquidation appraisal in Puerto Rico.
2. BACKGROUND: VA is required by law to determine the net value of a property securing a loan that is about to be terminated. By regulation (Title 38, Code of Federal Regulations (CFR), part 36, section 36.4319(b)), a loan holder is required to provide a copy of the notice of sale at least 30 days prior to the scheduled liquidation sale, and the notice must be accompanied with a statement of the account indebtedness and a copy of the liquidation appraisal request.

In the past, there has been a problem completing appraisals on vacant properties. Puerto Rico law does not allow an appraiser to enter a vacant property without a court order. Obtaining a court order has been a costly and time consuming process that has only served to discourage servicers from completing a VA appraisal and obtaining bidding instructions.

3. CHANGE TO VA APPRAISAL PROCEDURE: As of the date of this bulletin, appraisers are no longer required to gain access to a vacant property in order to complete a VA liquidation appraisal. Appraisers are authorized to complete the appraisal based on what they can see from the public street. Servicers are cautioned that this change applies only to vacant properties.

Servicers should order a VA liquidation appraisal on all VA loans that are being foreclosed. Properties cannot be conveyed to VA unless VA has issued bidding instructions. Even if the servicer plans to retain title, a VA appraisal is necessary to determine value for payment of the claim under the VA guaranty.

4. If you have any questions concerning this issue, please call Marilyn Tiburcio at 1-888-611-5916, ext. 7534.

WILLIAM A. CIPOLLA  
Loan Guaranty Officer