

Exhibit 1—LAPP Lender's Notice of Value**LENDER'S NOTICE OF VALUE**

[date of notice]

LENDER LOAN NO.:

VA CASE NO.:

[Mr. and/or Ms.] [purchaser's
name and current mailing address]

APPRAISAL REVIEWER:

PROPERTY ADDRESS:

Dear [Mr. and/or Ms.]]:

The above property has been appraised by a fee appraiser assigned by the VA regional office in [city and state]. On [], our VA-authorized appraisal reviewer personally reviewed the fee appraiser's report and determined the property's estimated reasonable value to be \$[]. The maximum repayment period for a loan to purchase this property is [fee appraiser's "economic life" estimate or 30, whichever is less] years.

The VA appraisal was made to determine the reasonable value of the property for loan purposes. It must not be considered a building inspection. Neither VA nor the lender can guarantee that the home will be satisfactory to you in all respects or that all equipment will operate properly. A thorough inspection of the property by you or a reputable inspection firm may help minimize any problems that could arise after loan closing. In an existing home, particular attention should be given to plumbing, heating, electrical and roofing components.

REMEMBER: VA GUARANTEES THE LOAN, NOT THE CONDITION OF THE PROPERTY.

THE CONDITIONS/REQUIREMENTS CHECKED BELOW APPLY TO THIS PROPERTY:

_____ 1. **ENERGY CONSERVATION IMPROVEMENTS.** You may wish to contact the utility company or a reputable firm for a home energy audit to identify needed energy efficiency improvements to this previously occupied property. Lenders may increase the loan amount to allow buyers to make energy efficiency improvements such as: Solar or conventional heating/cooling systems, water heaters, insulation, weather-stripping/caulking and storm windows/doors. Other energy-related improvements may also be considered. The mortgage may be increased by up to \$3,000 based solely on documented costs; or up to \$6,000 provided the increase in monthly mortgage payment does not exceed the likely reduction in monthly utility costs; or more than \$6,000 subject to a value determination by VA.

_____ 2. **WOOD-DESTROYING INSECT INFORMATION**

_____ a. **Inspection Report (Existing Construction).** The property must be inspected at no cost to you by a qualified pest control operator using Form NPMA-33, or other form acceptable to VA. Any reported infestation or structural damage affecting the value of the property must be corrected to VA's satisfaction prior to loan settlement. You must acknowledge receipt of a copy of the inspection report in the space provided on the form.

_____ b. **Soil Treatment Guarantee (Proposed or Under Construction).** A properly completed Form NPCA-99a is required. If the soil is treated with a termiticide, a properly completed Form NPCA-99b is also required. The lender will provide you with a copy.

- _____ 3. **LIEN-SUPPORTED ASSESSMENT.** This property is located in a development with mandatory membership in a homeowners' association. The lender is responsible for ensuring that title meets VA requirements for such property and that homeowner association assessments are subordinate to the VA-guaranteed mortgage.
- _____ a. **Homeowner Association Fee.** Estimated fee of \$[_____] per [_____] .
- _____ b. **Other.** _____
- _____ 4. **CONDOMINIUM REQUIREMENTS.** Evidence that VA requirements have been met for this condominium. There are may be additional information in "Other Conditions/Requirements" below.
- _____ 5. **WATER/SEWAGE SYSTEM ACCEPTABILITY.** Evidence from the local health authority or other source authorized by VA that the individual _____ **water supply**, _____ **sewage disposal** system(s) is/are acceptable.
- _____ 6. **CONNECTION TO PUBLIC WATER/SEWER.** Evidence of connection to _____ **public water**, _____ **public sewer**, if available, and that all related costs have been paid in full.
- _____ 7. **PRIVATE ROAD/COMMON-USE DRIVEWAY.** Evidence that use of the private road or common-use driveway is protected by a recorded permanent easement or recorded right-of-way from the property to a public road, and that a provision exists for its continued maintenance.
- _____ 8. **FLOOD INSURANCE.** Since improvements on this property are located in a FEMA Special Flood Hazard Area, flood insurance is required.
- _____ 9. **"AIRPORT" ACKNOWLEDGEMENT.** Your written acknowledgement that you are aware that this property is located near an airport and that aircraft noise may affect the livability, value and marketability of the property.
- _____ 10. **REPAIRS.** The _____ **lender** _____ **fee appraiser** (_____ [name] _____) _____ **fee compliance inspector** (_____ [name] _____) is to certify that the following repairs have been satisfactorily completed. See the above second paragraph about your responsibility concerning the condition of the property.
- _____
- _____
- _____
- _____ 11. **LOCAL HOUSING/PLANNING AUTHORITY CODE REQUIREMENTS.** Evidence that local housing or planning authority code requirements, if any, have been met.
- _____ 12. **"NOT INSPECTED" ACKNOWLEDGEMENT.** Your written Acknowledgement that, you are aware that since this new property was not inspected during construction by VA,
- _____ a. VA assistance with construction complaints will be limited to defects in equipment, material and workmanship reported during the one-year builder's warranty period.
- _____ b. VA will not intercede on your behalf in the processing of any construction complaints.
- _____ 13. **TEN-YEAR INSURED PROTECTION PLAN.** Evidence of enrollment of this new property in a 10-year insured protection plan acceptable to the Department of Housing and Urban Development (HUD).

- _____ 14. **ENERGY EFFICIENT CONSTRUCTION.** Builder's certification which identifies this new dwelling and states that it was constructed to meet the energy conservation standards of the Council of American Building Officials (CABO) 1992 Model Energy Code (MEC).
- _____ 15. **LEAD/WATER DISTRIBUTION SYSTEM.** Builder's certification which identifies this new dwelling and states that the solders and flux used in construction did not contain more than 0.2 percent lead and that the pipes and pipe fittings used did not contain more than 8.0 percent lead.
- _____ 16. **OFFSITE IMPROVEMENTS.** Evidence that the streets, sidewalks, drains, water, sewer, etc. have been completed and accepted for maintenance by the local authority.
- _____ 17. **PROPOSED CONSTRUCTION.** To be completed based on construction exhibits identified as _____

- _____ 18. **CONSTRUCTION INSPECTIONS.** By VA fee compliance inspector (_____ [name] _____) or HUD fee inspector (with prior VA approval).
_____ Only a final inspection is required if local building authority inspections are acceptable to VA, or if builder to provide you with a ten-year insured protection plan acceptable to HUD.
- _____ 19. **CONSTRUCTION WARRANTY.** One-year VA builder's warranty on a fully completed VA Form 26-1859, Warranty of Completion of Construction.
- _____ 20. **OTHER CONDITIONS/REQUIREMENTS**

Sincerely,

[signature, name and title of person authorized to sign notice]