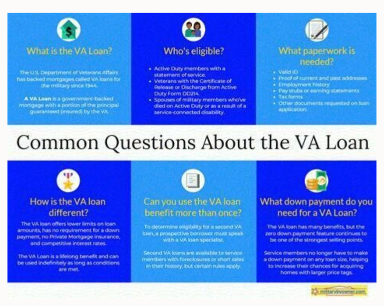
Va guidelines for appraisals.

The allowable fees for the appraisal type and the number of days allowed for completion can be found in the table below under the supporting Regional Loan Center.



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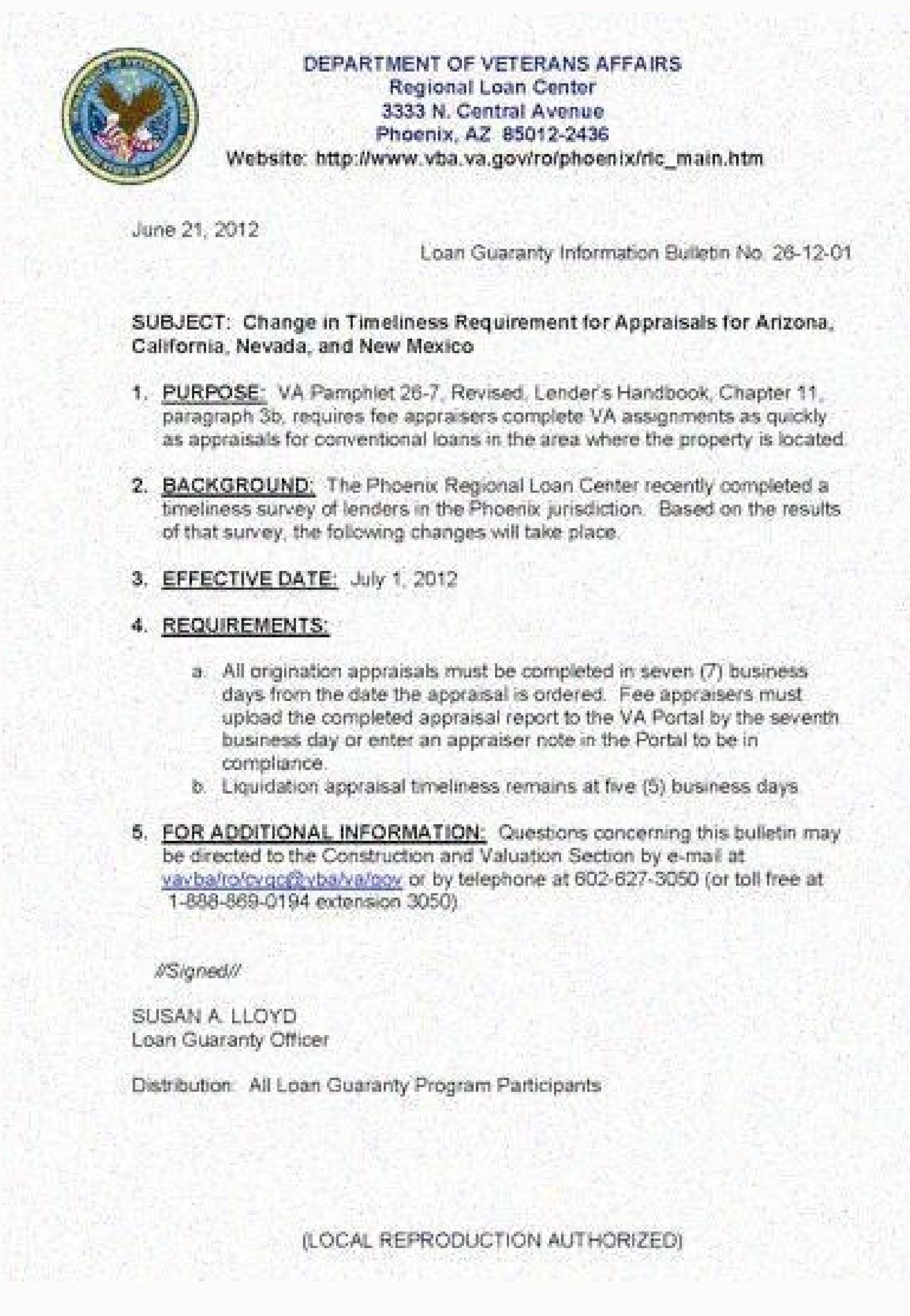

DEPARTMENT OF VETERANS AFFAIRS
Regional Loan Center
3333 N. Central Avenue
Phoenix, AZ 85012-2436
Website: http://www.vba.va.gov/ro/phoenix/rlc_main.htm

June 21, 2012

Loan Guaranty Information Bulletin No. 26-12-01

SUBJECT: Change in Timeliness Requirement for Appraisals for Arizona, California, Nevada, and New Mexico

1. **PURPOSE:** VA Pamphlet 26-7, Revised, Lender's Handbook, Chapter 11, paragraph 3b, requires fee appraisers complete VA assignments as quickly as appraisals for conventional loans in the area where the property is located.
2. **BACKGROUND:** The Phoenix Regional Loan Center recently completed a timeliness survey of lenders in the Phoenix jurisdiction. Based on the results of that survey, the following changes will take place.
3. **EFFECTIVE DATE:** July 1, 2012
4. **REQUIREMENTS:**
   a. All origination appraisals must be completed in seven (7) business days from the date the appraisal is ordered. Fee appraisers must upload the completed appraisal report to the VA Portal by the seventh business day or enter an appraiser note in the Portal to be in compliance.
   b. Liquidation appraisal timeliness remains at five (5) business days.
5. **FOR ADDITIONAL INFORMATION:** Questions concerning this bulletin may be directed to the Construction and Valuation Section by e-mail at vavba/ro/cvqc@vba/va/gov or by telephone at 602-627-3050 (or toll free at 1-888-869-0194 extension 3050).

//Signed//

SUSAN A. LLOYD
Loan Guaranty Officer

Distribution: All Loan Guaranty Program Participants

(LOCAL REPRODUCTION AUTHORIZED)

While VA considers this to be a temporary market fluctuation, appraisal fees have been increased in these counties to reflect the increased demand in this seller's market. *The fees and timeliness increases will be reevaluated in the future and may need to be readjusted. Counties Where Appraisers are Needed VA encourages appraisers based in or serving these counties to submit an application for VA fee appraiser panel. Liquidation Appraisal Appraisers are no longer authorized to charge an additional $50 above the fee indicated in the table.

Liquidation appraisal timeliness is the same as typical assignments in the geographical area. Cancelled Assignments Lenders must notify the assigned VA appraiser and the VA office of jurisdiction when an order has been cancelled. Notification is to be made via email – notes in WebLGY are not sufficient notification to VA that an assignment has been cancelled. VA allows appraisers to charge for time and work completed according to the following schedule: Work completed after assignment acceptance in WebLGY, but prior to setting an appointment will not exceed $50. If an appointment is made and notes placed in WebLGY confirming the date and time of appointment, and with whom the appointment was placed prior to the cancelation, the fee will not exceed $175. After the review of the interior of the property has been completed, the fee will not exceed 50 percent of the posted fee. If the report is fully completed, signed, and uploaded in WebLGY prior to cancellation, the full fee for the appraisal shall be paid to the appraiser. Additional Fees Requests for mileage fees must be approved by the Regional Loan Center (RLC) prior to the appraiser starting the appraisal. Authorized mileage fees will be charged at the rate allowed by the General Services Administration (GSA) or a flat rate approval based on unusual circumstances (i.e., weather conditions, unpassable roads, the need to use off road vehicles etc.). To determine GSA's current mileage rates, please visit . Appraisal fees for the Islands of Vieques and Culebra will be the same as in the U.S. Virgin Islands. Reimbursement for public and private transportation expenses (air, boat, ground transportation, or the use of specialty vehicles) incurred to perform appraisals in the islands of Vieques and Culebra; the U.S. Virgin Islands; Alaska; outer Islands of Hawaii; and the Commonwealth of the Northern Mariana Islands is authorized when accompanied by supporting documentation. When an appraisal assignment is completed for proposed or under construction properties the appraiser may charge an additional $50 fee above the published VA appraisal fee for that property type. All re-inspection fees are $150.

Payments Lenders and other appraisal requestors should note that VA Form 26-1805, VA Request for Determination of Reasonable Value (Real Estate), states "On receipt of 'Notice of Value' or upon advice from the Department of Veterans Affairs that a 'Notice of Value' will not be issued, we agree to forward to the appraiser the approved fee which we are holding for this purpose." If a payment has not been made within 30 days of billing, a late fee charge not to exceed state usury statutes is authorized. Late fees cannot be charged to the Veteran. Lender Appraisal Processing Program lenders are responsible for their approved agents. Regional Loan Center States Appraisal Fees and Timeliness - Georgia- North Carolina- South Carolina- Tennessee Download - Connecticut- Delaware- Indiana- Maine- Massachusetts- Michigan- New Hampshire- New Jersey- New York- Ohio- Pennsylvania- Rhode Island- Vermont Download - Alaska- Colorado- Idaho- Montana- Oregon- Utah- Washington- Wyoming Download - Arkansas- Louisiana- Oklahoma- Texas Download - American Samoa- Arizona- California- Commonwealth of the Northern Mariana Islands- Guam- Hawaii- New Mexico- Nevada Download - District of Columbia- Kentucky- Maryland- Virginia- West Virginia Download - Illinois- Iowa- Kansas- Minnesota- Missouri- Nebraska- North Dakota- South Dakota- Wisconsin Download - Alabama- Florida- Mississippi- Puerto Rico- U.S. Virgin Islands Download VA home loans are low-cost, flexible and borrower-friendly. And they're soaring in popularity.It's no wonder that eager sellers want to tap into the VA buyer market. What's the first step toward that goal? Ensuring that properties meet VA appraisal guidelines.In truth, whether or not homes meet guidelines is often a hard determination to make.

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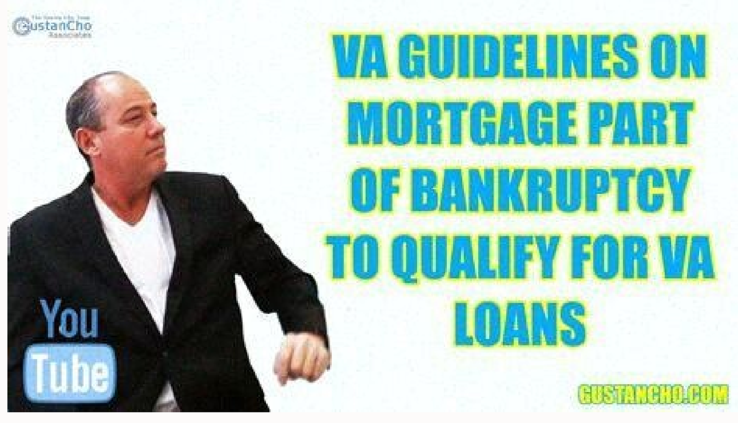

High Demand Counties Several counties across the nation have be identified as High Demand Counties, counties in which the increased demand for appraisal services has created shortage of available appraisers. While VA considers this to be a temporary market fluctuation, appraisal fees have been increased in these counties to reflect the increased demand in this seller's market. *The fees and timeliness increases will be reevaluated in the future and may need to be readjusted. Counties Where Appraisers are Needed VA encourages appraisers based in or serving these counties to submit an application for VA fee appraiser panel. Liquidation Appraisal Appraisers are no longer authorized to charge an additional $50 above the fee indicated in the table. Liquidation appraisal timeliness is the same as typical assignments in the geographical area. Cancelled Assignments Lenders must notify the assigned VA appraiser and the VA office of jurisdiction when an order has been cancelled. Notification is to be made via email – notes in WebLGY are not sufficient notification to VA that an assignment has been cancelled. VA allows appraisers to charge for time and work completed according to the following schedule: Work completed after assignment acceptance in WebLGY, but prior to setting an appointment will not exceed $50. If an appointment is made and notes placed in WebLGY confirming the date and time of appointment, and with whom the appointment was placed prior to the cancelation, the fee will not exceed $175. After the review of the interior of the property has been completed, the fee will not exceed 50 percent of the posted fee. If the report is fully completed, signed, and uploaded in WebLGY prior to cancellation, the full fee for the appraisal shall be paid to the appraiser.

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Related Posts One of the most tangible and valuable benefits available to those who opt to serve their country through military service is the VA home loan program. And while every homebuying process is a journey from browsing for homes to the closing table, the VA has some requirements unique to its program that are intended to protect the borrower and ensure a sound investment.This protection is offered in the form of the VA loan appraisal, a process by which an approved appraiser establishes the market value and assesses the condition of a property. This evaluation is different than a traditional home inspection, and the VA's standards will differ slightly from the appraisal requirements that a borrower would find through other home loan programs.What Is a VA Loan Appraisal?A VA loan appraisal is an estimate of a property's market value and is conducted by a VA-approved appraiser, ensuring that the property qualifies for the requested loan amount. A property must also meet a list of standards set by the VA, called Minimum Property Requirements (MPRs). This appraisal process is required by the Department of Veterans Affairs for all VA home loans and cash-out refinances.A VA loan appraisal will also ensure that the home is a sound investment and safe and livable when a buyer takes possession.Differences Between VA Appraisals and Home InspectionsA borrower may be confused between the VA appraisal process and the protections offered by a traditional home inspection. While there is surely some overlap in what a VA appraiser will look for in the effort to ensure livability and fair market value, a home inspector takes an even deeper dive into every aspect of the home and its systems to find and flag potential problems before the purchase is finalized.Another item to note is that while a VA appraisal is required to secure a VA home loan, a home inspection is optional under the program. Therefore, it's important to understand what's covered by each assessment and where you might be vulnerable should you forgo the home inspection.Again, the VA appraisal will assess the property for a select list of requirements to ensure it is safe, sanitary, livable and a sound investment for the buyer. But passing and conforming to these minimum property guidelines as set by the VA only covers certain categories, meaning a buyer may still be vulnerable to a variety of other issues.But for a very modest cost, a home inspector takes an in-depth look at all aspects of the home, searching and testing for existing and potential problems in the most important systems and components such as the structure, wiring, plumbing, HVAC, roof, drainage, and more.Why Does the VA Require an Appraisal?The appraisal process is necessary for VA home loans because it ensures the homebuyer is making a sound investment in a property that isn't overpriced or in need of significant repairs. The process also ensures the Department of Veterans Affairs is backing a loan that does not exceed the property's market value. In other words, the appraisal is meant to protect and safeguard the interests of both the borrower and the loan guarantor (the VA).Minimum Property Requirements (MPRs) For VA AppraisalsSo, what will a VA-approved appraiser look for when assessing a property? The VA has established a list of Minimum Property Requirements (see the list here) that appraisers must review to make sure a property is safe, structurally sound and sanitary, among other considerations. The MPRs cover each of the following aspects of a property's interior and exterior:Access RequirementsAn appraiser will ensure a qualifying property includes year-round street access to the home and be safely accessible without the need to pass through neighboring properties. Private roads must be managed by a homeowner's association and include a permanent easement. Finally, no part of the property can encroach on another property, including secondary buildings like garages or sheds.Space RequirementsQualifying properties will offer enough functional space for day-to-day living, such as room to sleep, cook, dine, plus suitable bathroom facilities.ElectricityThe appraiser will take a close look at the home's electrical system, checking for damaged or poor wiring, while also ensuring there's a sufficient electrical supply for powered equipment, lights and appliances.Heating and Cooling SystemsIn some regions of the country, it may not be required for a property to have a system that both heats and cools, as air conditioning is sometimes considered optional. If there are heating and cooling systems in place, the appraiser will check to make the system is functional and able to heat and/or cool the entire home and maintain an adequate temperature.Water SupplyEvery qualifying property will offer year-round access to a safe and potable water supply for drinking and bathing, as well as a working means of sewage disposal and a functional water heater.

Use of public water isn't required, but all private wells/water supplies will be tested to ensure they meet or exceed water quality standards.DrainageThe assessment will check for proper drainage to ensure that rain water is able to drain away from the foundation, and that water isn't pooling or retained on the property.RoofA roof must be in sound condition, able to prevent leaks and to offer "reasonable future utility," meaning it is not so old that it is in need of immediate replacement. A roof with old or worn shingles may require a letter submitted by a contractor to confirm that the roof can serve for another three or more years. The appraiser will also check for defects, holes, missing shingles, or sloppy repair work.AtticAn assessment of an attic will include checks for ease of access, proper ventilation, structural integrity, pest activity, mold, mildew, water damage, and other debris or hazards.BasementIn the basement, an appraiser will look for ease of access and signs of dampness and structural defects.Mechanical SystemsAn appraiser will assess the safety and working condition of the home's mechanical systems – for example, its heating, cooling, ventilation, plumbing and electrical systems -- while also noting the need for repairs that are readily apparent.Health and Safety HazardsA property that contains any threat to physical health or safety, or any hazard that could impact the property's structural soundness is unlikely to qualify for a VA loan. Red flags include the presence of radon gas, asbestos or lead-based paint within the home, or properties located in a flood zone, near a sinkhole, or proximity to any type of environmental contamination.Termites & Pest InspectionThe presence of termites or other pests can bring serious damage to include structural issues. Appraisers will look for the presence of pests and must report any infestation, fungus growth or dry rot that could make the home less stable or put its occupants in harm's way.Common VA Appraisal ProblemsFor many potential buyers, the VA appraisal process can end with bad news: For one or more reasons, the property didn't earn a passing grade. The two most common reasons for a property to fail a VA appraisal is that it doesn't meet one or more of the VA's Minimum Property Requirements or the appraiser's valuation of the property was low enough that it isn't worth what a buyer has offered to pay for it.Depending on the reason for the appraisal's failure, however, a buyer may still have options for landing the home and a VA loan.For starters, if the home can't meet one or more of the MPRs, you might request that the seller makes repairs or changes to the item(s) in question in order to bring the property up to VA standards.If the appraiser's valuation for the property is lower than what you have offered to pay, you will also have some options. First, you can pay the difference in cash between the appraiser's valuation and the seller's asking price, a figure known as the appraisal gap. This decision most likely means you will be paying more for the home than it is worth.If paying cash to close the appraisal gap isn't an option, you can ask the seller to lower the asking price so it is in line with the appraiser's valuation and the property's fair market value. If the seller agrees to the price decrease, the loan process can move forward.One final option for working past a low valuation is to challenge the appraisal with the request for a Reconsideration of Value (ROV). To start this process, your real estate agent will provide market data to your lender showing the home is worth more than the appraiser's valuation. VA personnel then review the appraiser's valuation and the new data. If you can demonstrate that the property is worth more than the valuation, the VA will then issue an amended notice of value and the loan process can resume.Compiling data for an ROV is one good example of why it's a smart idea to work with a real estate agent when shopping for a home. Seek out agents who are familiar with the VA loan process and understand the standards of the VA's Minimum Property Requirements. This type of experience might help you spot potential problem properties before you waste any time and money on the appraisal process.VA Loan Appraisal FeesAs with most appraisals or inspections, the burden of cost belongs to the buyer. What's more, VA appraisal fees are typically higher than appraisal fees for other loan types because the appraiser must know the VA's distinct criteria. Expect to pay as much as $1,000 or more, depending on the location of and type of property.VA Appraisal FAQs Need a study guide along the way? Let's take a look at eight things buyers and agents must understand about the VA appraisal. 1. VA Appraisals are MandatoryYou'll have a lot of choices to make on your homebuying quest. But if you're using a VA loan, you can't choose to opt out of the VA appraisal. Every home purchased with a VA loan must be evaluated by a VA-certified appraiser. Your VA lender requests and schedules the appraisal, and informs you once the appraisal report is complete. 2. The VA Appraisal has Two PurposesThe VA appraiser has two tasks: Determine the home's fair market value. Your lender needs to know the market value for the property in question. The market value helps buyers ensure they're not overpaying for a property and helps lenders ensure they're not putting borrowers in an "upside-down" mortgage from the start. The appraiser uses current market data and recent sales to determine this value for each property. Ensure the property meets the VA's Minimum Property Requirements (MPRs).

The VA has a unique list of MPRs to which all properties must adhere. Those broad guidelines ensure that homes purchased by veterans are safe and move-in ready. » MORE: Check if you meet the official VA loan requirements Buyers will usually need to pay for the appraisal upfront. Appraisal fees vary by state of purchase and type of home (single-family vs. condo vs. manufactured home), but plan for $600 or more. You can try and recoup this fee at closing as part of your negotiations with the seller. 4. VA Appraisals Often Get Completed within 10 days. But Plan for More.Ten days is the typical timeline to complete a VA appraisal. However, turn times vary from one area to the next, and the unprecedented volume in recent years may set your timeline back. The VA issues appraisal "timeliness requirements" for each state, but they're more guidelines than actual requirements. In addition, if repairs are required, the appraiser will have to come back out for a re-inspection, so plan on additional time when calculating your closing date. Read more: What Can I Do to Speed the VA Appraisal Process Along? The VA appraisal is good for six months from the effective date of the appraisal for refinance loans or until the loan closes for purchase loans. The VA appraiser ensures homes are: Safe Structurally sound Sanitary Notice the word "perfect" is not on that list. It's never been the VA appraiser's responsibility to promise you're buying a blemish-free property.

The home does need to meet basic livability standards, but make no mistake: costly repairs could pop up any time after you sign those closing documents. And that's why you need to also remember the following point: The VA appraiser will carefully measure your property against MPR criteria, which you can learn more about here.

Still, a professional home inspector typically performs a much more in-depth, comprehensive investigation. While the VA appraiser rarely ventures outside the bounds of the MPR checklist, a good home inspector will thoroughly describe every deficiency noted on the property. The inspector documents findings with photos, makes recommendations and may estimate the cost of needed repairs. The professional home inspection report is an excellent tool for renegotiating a purchase contract and should never be skipped. Some buyers prefer to have the home inspection first before deciding whether to move forward with a VA appraisal. Verify your VA loan eligibility (February 21, 2024) Typically the VA appraisal is completed quickly without complications. However, that's not always the case, and it's important to recognize that the results of the VA appraisal could send a purchase down a different track. Consider these potential challenges: The property doesn't meet MPR criteria.

If the appraiser requires repairs to bring the home up to MPR standards, buyers have a few options to consider. They can negotiate with the sellers to make the repairs; they can look into paying the repairs themselves or walk away from the purchase. The appraisal value falls short of the loan amount. If the appraisal value is below the target loan amount, buyers again have a choice to make. Buyers can: Ask the seller to lower the purchase price Make up the difference in cash Walk away from the purchase Petition the VA for a Reconsideration of Value 8.

The VA Appraisal Doesn't Have to be Intimidating.Even though the VA appraisal can have a drastic impact on a home purchase, there's no need to fear this process unless you're unprepared.Poor knowledge sets a potential VA homebuyer up for disaster. If you're planning on any of the following, you could be in for a rough road:Purchasing a fixer-upperBuying farm landPurchasing a vacation homeBuying an ineligible investment propertyBuying without a real estate agentWorking with an inexperienced VA lenderBut if you're familiar with VA MPR criteria, you're working with a knowledgeable real estate agent and have partnered with a skilled VA lender, get set for a rewarding venture. You're well on your way to the plethora of benefits afforded by VA home loans, including 100 percent financing, no private mortgage insurance, flexible credit standards and low closing costs. See What You Qualify For Answer a few questions below to speak with a specialist about what your military service has earned you. Related Posts