



Loan Guaranty Conference 2023

Policy Updates

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VA



U.S. Department
of Veterans Affairs

New In C&V Policy

- ▶ Road Maintenance Agreement, Circular 26-22-17
- ▶ Procedures for Alternative Valuation Methods, Circular 26-22-13
- ▶ Oversight of Appraisal Reports to promote Fair Housing for all Veterans. Circular 26-23-05
- ▶ HR 7735 or Public Law 117-308
- ▶ On the Board

Road Maintenance Agreement

- ▶ Private road maintenance agreements are not longer required.
 - Many states have enacted laws that govern the maintenance of private roads and shared driveways particularly those private roads and shared driveways in which a joint maintenance agreement does not exist.
- ▶ A recorded permanent easement or recorded right-of-way from the property to a public road **is still required** to be placed in the loan file.

Procedures for Alternative Valuation Methods

► Exterior-Only and Desk Top Appraisals

- Purchase only
- Only available to Lender Appraisal Processing Program (LAPP) lenders
- Be within conforming loan limits
- Single family only
- 80% loan-to-value or when unassigned to an appraiser for 7 days or more



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Procedures for Alternative Valuation Methods, Cont'd

- ▶ When conditions are met, lenders should work directly with the appraiser.
- ▶ The appraiser determines the scope of work and what form of inspection is needed to produce credible results.
- ▶ Fees and timeliness are the same.

Appraisal Oversight

- ▶ This is internal to VA and does not impact the daily operations to any stakeholders at this time
- ▶ Reviewing all appraisals for any **potential** racial or bias words, terms or phrases.
- ▶ This is an internal analysis before VA moves on to next phase.

HR 7735 or Public Law 117-308

- ▶ Still in process of development.
- ▶ This is not intended to be a modernization process, however some modernization will take place.
- ▶ Do not anticipate any waiver on origination loans.
- ▶ Do anticipate improvements to the Assisted Appraisal Processing Program and minimum property requirements (MPRs).
- ▶ Goal is to increase competitiveness in the market place and to ease the impact to Veterans, appraisers, Real Estate Agents and lenders.

Potential Policy Changes

► The Construction and Valuation Policy is researching revising many areas of policy.

► Hot topics:

- Radon
- Construction Phases
- Tidewater process
- Manufactured Homes
- Repair inspections
- MPRs
- Property Eligibilities.

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Questions



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