

Product Support Bulletin



Information for Correspondent Lenders of SunTrust Mortgage, Inc.
January 9, 2015 • COR15-002

Alert

Update

Reminder

Clarification

Training
Information

Preview

VA Contracts, Compliance and Value Adjustments

The Veterans Administration (VA) announced a change in the issuance of Notices of Value (NOV) by the Staff Review Appraiser (SAR) at a value that deviates from the value determined by the VA Fee Appraiser. Additionally, provide the sales contract to the VA Fee Appraiser immediately upon the assignment of the case number. This requirement aligns their appraisal guidelines with the Uniform Standards of Professional Appraisal Practice (USPAP).

Intended Audience

Origination
Processing

Secondary
Marketing

Underwriting

Closing
Delivery
Funding

Compliance Legal

Other

Effective Dates

Friday, January 9, 2015
Effective for all VA applications taken on or after this date.

Background Information

VA issued Circulars [26-14-27](#) (Policy Changes Affecting Value Adjustments and Photographs) and [26-14-29](#) (Agreement of Sale/Sales Contract to be Provided to the Fee Appraiser) as a reminder of required practices and to rescind the ability of the Staff Review Appraiser (SAR) to revise the value provided by the VA Fee Appraiser.

Bulletin Details

Requesting Notice of Value (NOV) Changes and Reconsideration of Value (ROV)

The Lender's Staff Review Appraiser (SAR) must issue the NOV at the appraised value reflected in the appraisal report. The SAR cannot change the estimate of value provided by the VA Fee Appraiser.

As a reminder, SunTrust requires the Lender's SAR to follow current published guidelines when requesting a revision in value as noted below.

Action Required

Correspondent Lenders, Origination and Processing, Secondary Marketing, Underwriting, Closing, Loan Delivery and Funding Starting January 9, 2015

Follow published guidelines outlined in this bulletin.

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Bulletin Details, continued

Requesting Notice of Value (NOV) Changes and Reconsideration of Value (ROV), continued

Upon receipt of the request to change a NOV, the Lender's SAR will do one (1) of the following:

- forward the request to the VA assigned appraiser if it involved a request for increase in the value estimate of less than 10% or otherwise needs fee appraiser involvement (i.e., repairs/condition waivers), OR
- forward the request to the VA office of jurisdiction if it involves a request for increase in the value estimate of 10% or more, a decrease in the value estimate, or if it involves matters regarding appraiser's performance.

VA Policy Changes Affecting Value Adjustments and Photographs

As a reminder, in order to have VA valuation policy in alignment with current USPAP in the appraisal industry, appraisers must include interior photographs of the subject property which, at a minimum, show:

- The kitchen
- All bathrooms
- Main living area
- Examples of physical deterioration, if present
- Examples of recent updates, such as restoration, remodeling, and renovation, if present

In addition to the interiors photographs, appraisal reports must include clear, illustrative, original photographs showing the front, rear view (preferably including a different side view in each photograph), and a street scene of the subject property and the front of each comparable sale. The appraisal must appropriately identify the subject and all comparables. Photographs of comparable listings are not required, but are encouraged.

Requirements for Providing Contracts and other Documentation to the Appraiser

Provide the following to the VA Fee Appraiser:

- A copy of the agreement of sale and all addenda immediately upon assignment, but not later than one (1) business day after the date of assignment,

Notes:

- During the process of the loan, the requestor must provide the updated/amended contract to the VA Fee Appraiser.
 - Depending on the amount of time and/or the extent of any change to the originally considered agreement of sale, the circumstances may warrant the appraiser considering such a change, to constitute a new assignment under USPAP.
 - The appraiser can charge an additional fee if warranted, up to the full amount of a new appraisal fee. Refer all disputes, concerning any such additional fees, to the Regional Loan Center of the jurisdiction.
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- copy of VA Request for Determination of Reasonable Value (VA 26-1805), and
 - approved plans and specifications meeting the following requirements, if applicable:
 - plans traditionally drawn to ¼ scale or larger may be reduced to 8 ½ x 11, and
 - specifications must be on the Description of Materials (VA Form 26-1852). The builder and the veteran must complete and sign the form.

Revised Materials

Click [The Veterans Administration \(VA\) Loan Program](#) to view the revised material.

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Former Guidelines

Previously, we published:

- The Lender's SAR could not revise the VA Fee Appraiser's valuation without submitting to the Appraiser or VA,
- USPAP guidelines in general, and
- Provide a copy of the executed sales contract and addenda to the appraiser within one (1) business day after the date of the appraisal assignment.

Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Direct contact information for each correspondent relations coordinator is located in General Section 1.01: The Correspondent Division.
Emerging Banker Account Executive	Specific questions on applying this procedure to specific loan files. Direct contact information for each account executive is located in General Section 1.01: The Correspondent Division.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 4.

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