VA Lenders Handbook (VA Pamphlet 26-7), Chapter 10, Topic 3 — Sales Contract

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3. Sales Contract Change Date March 11, 2019 • This chapter has been revised in its entirety. a. Upload of Sales Contract into WebLGY If the Veteran is purchasing a property, the requester must upload a copy of the executed sales contract into WebLGY the same day the request is made. If the requester does not upload the sales contract, the appraiser must place the appraisal assignment on hold, notify the requester, and document the delay in WebLGY notes. b. Appraiser's Analysis of the Contract The appraiser must analyze all sales contracts, options, or listings of the subject property as of the effective date of the appraisal, if such information is available to the appraiser in the normal course of business. The appraiser will analyze the sales contract in estimating the reasonable value of the property and will also consider any effect on VA MPR repairs. c. Appraiser's Access to the Contract The appraiser must have access to the sales contract in order to consider financing data, sales concessions or other information included in the contract when estimating the reasonable value of the property. d. Amendment to the Contract before the Appraisal is Completed If the sales contract is amended during the appraisal process (prior to the effective date of the appraisal), the lender must provide the updated contract to the appraiser to ensure the appraiser considers the potential impact on value of any changes. Continued on next page VA Pamphlet 26-7, Revised Chapter 10: Appraisal Process 10-7 3. Sales Contract, continued e. Amendment to the Sales Contract after the Appraisal is Completed If the sales contract is amended after the effective date of the appraisal, but prior to loan closing, the lender must use due diligence to determine whether the amendment(s) could reasonably be thought to affect the estimated value of the property. If so, the lender must forward the amended sales contract to the VA fee appraiser for consideration. The appraiser will be responsible for determining the impact of the amended sales contract and compliance with all provisions of USPAP in developing and reporting credible assignment results. Depending on the extent of any change to the originally considered sales contract, the appraiser may consider the change to constitute a new assignment under USPAP, warranting an additional fee, chargeable to the Veteran, up to the full amount of a new appraisal. f. Due Diligence If the lender fails to perform due diligence in reviewing any subsequent contract amendment(s), and/or fails to forward the contract amendment appropriately, the loan may be subject to review for indemnification, or any claim against the guaranty may be subject to adjustment. VA Pamphlet 26-7, Revised Chapter 10: Appraisal Process 10-8

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