VA Lenders Handbook (VA Pamphlet 26-7), Chapter 10, Topic 28 — Title Limitations

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28. Title Limitations Change Date March 11, 2019 • This chapter has been revised in its entirety. a. Lender Responsibilities If the lender determines that a title limitation or condition discovered prior to loan closing may affect eligibility, the lender must contact the appraiser to determine if the property is still eligible to become the security for a VA-guaranteed loan. If the condition was discovered after the effective date of the appraisal, the appraiser may consider this a new assignment and an additional fee may be charged to the Veteran. b. VA Processing Procedures If VA becomes aware of limitations or conditions which were not considered in the appraisal report or covered by 38 CFR 36.4354, the RLC of jurisdiction will: • contact the fee appraiser if additional information is needed to determine the effect of the limitation or condition on the value estimate, • consider the impact of the condition or limitation on the reasonable value of the property, • describe the condition or limitation in WebLGY notes, and • issue an amended NOV, if appropriate. VA Pamphlet 26-7, Revised Chapter 10: Appraisal Process 10-42 Appendix 1. Steps for Requesting an Appraisal Step Action 1 Obtain a user ID and password for the Veterans Information Portal (VIP) (see Chapter 10, Topic 2 of this Handbook) 2 Ensure that the property is eligible for an appraisal. Contact the RLC with any questions about property eligibility or if the property is not eligible, but is already the security for a VA loan 3 Request for Certificate of Eligibility (COE) 4 Log on to VIP and select WebLGY > Request Appraisal > Select Appraisal Type 5 Input all requested information to generate VA Form 26-1805-1, VA Request for Determination of Reasonable Value 6 To avoid a delay for the Veteran, provide a complete legal description and ensure that the Point of Contact's (POC) information is correct and that the POC can provide access to the property for the appraiser without any additional calls 7 WebLGY will: - assign a case number (in liquidation cases, this will be the existing VA loan number for the property that must be provided by the requester) - assign an appraiser (since VA is required by law to select the fee appraiser on a rotational basis from a panel maintained by VA) -generate a completed VA Form 26-1805-1, VA Request for Determination of Reasonable Value -e-mail the assignment to the VA-assigned fee appraiser Continued on next page VA Pamphlet 26-7, Revised Chapter 10: Appraisal Process 10-43 Appendix 1. Steps for Requesting an Appraisal, continued Step Action 8 If the Veteran is purchasing a home, the same day the assignment is made, the requester must upload a copy of the sales contract and any construction exhibits into WebLGY. VA highly recommends the use of reduced-size construction drawings to save copying, mailing, and storage costs for all parties involved. Building plans, elevations and details, traditionally drawn at ¼ inch scale and larger, can be photographically reduced or computer-drawn to be clearly readable on 8½ by 14-inch pages. Other exhibits normally provided in an 8½ by 11-inch format (such as specifications, certifications, etc.) must not be further reduced. VA does not accept 11 by 17-inch pages as this size is not compatible with scanning equipment generally available to program participants. 9 For all appraisal types, if the legal description is lengthy and does not fit in the legal description block on the appraisal request, a copy of the complete legal description must be uploaded into

WebLGY the same day the assignment is made. 10 In most cases, the appraisal will be assigned instantly. If an appraiser is not assigned by WebLGY, please notify the RLC of jurisdiction. Requesters must not re-enter the information as a duplicate appraisal request will be generated. RLC Contact Information http://www.benefits.va.gov/HOMELOANS/contact_cv.asp or http://www.benefits.va.gov/HOMELOANS/contact_rlc_info.asp

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