VA Lenders Handbook (VA Pamphlet 26-7), Chapter 11, Topic 2 — Market Value

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> 2. Market Value Change Date February 22, 2019 • This Chapter has been revised in its entirety. a. Market Value Definition The appraiser must estimate the market value, as "the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.” VA considers reasonable value and market value to be synonymous. VA’s definition of market value is consistent with that used by Fannie Mae, Freddie Mac, and major appraisal organizations. b. Protecting the Interests of Veterans, Lenders, Servicers and VA The quality of the appraisal is critical in protecting the interests of Veterans, lenders, servicers, and VA. This fact requires VA to be integrally involved in its management and oversight of the appraisal process, from the initial assignment of the appraiser through the issuance of the Notice of Value (NOV), as well as oversight performed on closed loans. c. Oversight Any appraisal report is unacceptable if the analysis is not based upon recognized appraisal practices and was intended to "accommodate" or "meet" the sales price. VA Pamphlet 26-7, Revised Chapter 11: Appraisal Report 11-5

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