

Appraisal Management System and Required Mortgage Industry Standards Maintenance Organization XML Appraisal Format

1. Purpose. The purpose of this Circular is to announce that effective June 1, 2014, all Department of Veterans Affairs (VA) appraisals will be processed in WebLGY under the VA Appraisal Management System (AMS). Therefore, beginning June 1, 2014, all VA appraisals must be uploaded in WebLGY in Mortgage Industry Standards Maintenance Organization (MISMO) compliant XML 2.6 GSE file format as VA will no longer accept appraisals uploaded in WebLGY in PDF format. Prior to June 1, 2014, VA appraisals must continue to be uploaded in WebLGY in PDF file format.

2. Background. Historically, VA appraisal form/formats conformed to appraisal industry form/format requirements, i.e. those required for conventional and/or Federal Housing Administration appraisals. In the past, VA collaborated with Fannie Mae, Freddie Mac, and the Department of Housing and Urban Development to maintain conformity and assure our appraisal form/format requirements were in conformance with the appraisal industry at large. Our new requirement for MISMO XML 2.6 GSE file format appraisals is in concert with the recent Fannie Mae and Freddie Mac announcement that for their Conventional loans, effective on July 13, 2014, appraisals must be in MISMO XML file format. See <https://www.fanniemae.com/content/news/ucdp-uad-newsletter-february-2014.pdf>

3. New. MISMO XML 2.6 GSE file format appraisals will facilitate the release and deployment of VA AMS. VA AMS will significantly improve VA's appraisal review and appraisal quality control processes. Under VA AMS, it is expected that LoanSafe Appraisal Manager (LSAM) reports, which will be released later this year, will be generated on VA appraisals and placed in WebLGY for use by VA Regional Loan Center (RLC) staff and Lender/Service Staff Appraisal Reviewers (SARs) in conjunction with their VA appraisal reviews.

a. The use of LSAM reports in future VA appraisal reviews by VA RLC staff and Lender SARs will help to ensure that VA appraisals are fully complete and acceptable following appraisal industry standards and meeting applicable VA, Uniform Standards of Professional Appraisal Practice and Uniform Appraisal Dataset requirements. It is also anticipated that the future use of LSAM reports may result in increased communication or correspondence between SARs and VA fee appraisers. VA fee appraisers are expected to cooperate with SARs and respond to their inquiries as soon as possible, but no later than 2-business days after receipt.

b. Most appraisers may now have MISMO XML 2.6 GSE file format compliant appraisal software. If any VA fee appraisers do not have XML appraisal software so that they can complete and transmit VA appraisals using MISMO XML 2.6 GSE appraisal format, they should contact their appraisal software vendor as soon as possible to ensure compliance.

c. To ensure continued timely service to our nation's Veterans, VA fee appraisers who are unable to comply with this requirement must contact their VA RLC of jurisdiction prior to June 1, 2014(http://www.benefits.va.gov/HOMELOANS/contact_rlc_email.asp).

4. Questions. All inquiries should be sent to LENDERS.VBACO@VA.GOV.

5. Rescission: This Circular is rescinded April 1, 2016.

By Direction of the Under Secretary for Benefits

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Distribution: CO: RPC 2022
SS (26A1) FLD: VBAFS, 1 each (Reproduce and distribute based on RPC 2022)