

AGREEMENT OF SALE / SALES CONTRACT TO BE PROVIDED TO THE FEE APPRAISER

1. Purpose. The purpose of this circular is to announce the Department of Veterans Affairs (VA) requirement that a copy of the agreement of sale or sales contract be provided to the fee appraiser by the requester of the VA appraisal immediately upon assignment.

2. Background. When the value opinion to be developed is market value, Uniform Standards of Professional Appraisal Practice requires an appraiser to analyze all agreements of sale, options, or listings of the subject property, current as of the effective date of the appraisal, if such information is available to the appraiser in the normal course of business.

3. Details. VA believes that the fee appraiser must have access to such information to ensure that the estimate of value represents a proper value, which includes consideration of financing data, sales concessions, or property conditions typically contained in the agreement of sale. Furthermore, for VA loan origination purposes, VA expects that the agreement of sale is available, or would be available, to the requester of a VA appraisal.

4. Actions. Effective immediately, the requester of a VA appraisal must provide a copy of the agreement of sale and all addenda to the appraiser immediately upon assignment, but not later than 1 business day after the date of assignment. If the agreement of sale is amended during the process, the requester must provide the updated contract to the appraiser. The assigned VA appraiser will analyze the agreement of sale and consider that analysis in establishing the fair market value of the property and any affect on VA minimum property requirement repairs. Should the requester fail to provide the agreement of sale to the appraiser, the appraiser will, upon notice to the requester, hold the assignment and notify VA of the delay.

5. Rescission: This circular is rescinded January 1, 2012.

By Direction of the Under Secretary for Benefits

Mark Bologna, Director
Loan Guaranty Service

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