

Repair Inspection Processing Procedures

1. Purpose. The purpose of this Circular is to announce that effectively immediately, in lieu of using their own appraiser letterhead, Department of Veterans Affairs (VA) Fee Appraisers may now use Freddie Mac Form 442 or Fannie Mae Form 1004D, Part B, Certification of Completion, to certify satisfactory completion of the required repairs identified on Notices of Value (NOVs).

2. Background. Historically, when inspection of repairs were required on existing properties, VA Fee Appraisers were required to use their own letterhead to certify satisfactory completion of the required repairs identified on NOVs.

3. Action. When repairs have been completed and are ready for inspection, lenders notify the appraiser and provide a copy of the NOV, if one is not available to the appraiser in WebLGY. VA Fee Appraisers may now use either Freddie Mac Form 442, Fannie Mae Form 1004D, Part B, Certification of Completion, or their appraiser letterhead to certify satisfactory completion of the required repairs, or to report their repair inspection findings, if repairs were not acceptably completed. Photos of completed repairs are expected to be included with the appraiser's inspection or certification. Fannie Mae Form 1004D, Part A, Summary Appraisal Update Report is not acceptable for VA use.

a. The VA Fee Appraiser identified on the NOV is authorized to inspect the repairs and prepare a report, including photos, on his or her letterhead or on a form acceptable to VA (i.e. Freddie Mac Form 442 or Fannie Mae Form 1004D, Part B, Certification of Completion). If the VA-assigned Fee Appraiser is unavailable, lenders may contact the VA Regional Loan Center of jurisdiction to request another Fee Appraiser be assigned to do the repair inspection.

4. How to Complete the Certification of Completion Report.

a. The inspection report or certification must re-list the items on the NOV to be repaired or installed in the case of customer preference items and which were inspected by the appraiser.

b. The inspection report or certification must certify that quality materials were used and the identified repair or installation items were completed in a workmanlike manner.

c. Any required repairs not addressed or not completed in a workmanlike manner should be identified and photos of items of non-compliance must be included with the inspection report or certification.

d. The inspection report or certification is to be completed, signed, and uploaded to WebLGY.

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5. Questions. All inquiries should be sent to colenders@vba.va.gov.
6. Rescission: This Circular is rescinded January 1, 2016.

By Direction of the Under Secretary for Benefits

Michael J. Frueh
Director, Loan Guaranty Service

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