



DEPARTMENT OF VETERANS AFFAIRS
Regional Loan Center
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March 3, 2006

Loan Guaranty Information Bulletin No. 26-06-05

SUBJ.: MANUFACTURED HOME APPRAISAL REPORT

PURPOSE

The purpose of this circular is to provide information to program participants on the use of the new Manufactured Home Appraisal Report (Freddie Mac Form 70B/Fannie Mae Form 1004C, dated March 2005) for Department of Veterans Affairs (VA) manufactured home appraisals.

BACKGROUND

- a. At the present time, VA appraisal reports for manufactured homes (MH) appraised as real estate are required to be completed on the same appraisal report form as site built single-family residences, Uniform Residential Appraisal Report (URAR), Freddie Mac Form 70/Fannie Mae Form 1004.
- b. Our analysis of the new Manufactured Home Appraisal Report has resulted in the determination that its use is preferable to the URAR for MH appraisals, as it was specifically designed to identify MH information in detail and should allow for a more comprehensive and consistent MH appraisal report that is easier to prepare and read.

DETAILS

- a. Effective immediately, the Manufactured Home Appraisal Report (dated March 2005) may be used for all VA appraisals for manufactured homes.
- b. On April 1, 2006, the use of the Manufactured Home Appraisal Report (dated March 2005) is **mandatory** for all VA manufactured home appraisals. MH appraisals that are completed on or after April 1, 2006, using any other form will be unacceptable to VA.
- c. The new Manufactured Home Appraisal Report is available online at:
Fannie Mae's website: <http://www.efanniemae.com/sf/formsdocs/forms/1004c.jsp> and at
Freddie Mac's website: <http://www.freddiemac.com/sell/forms/>.

d. The new Manufactured Home Appraisal Report form must be acceptably completed, including entries for all relevant questions based on personal observation. In addition, VA fee appraisers must identify and require correction of deficiencies or conditions necessary to ensure the subject property meets applicable VA minimum property requirements.

e. Fee appraisers are expected to be familiar with State and local code laws or regulations in their locality governing manufactured homes (such as missing HUD labels, alterations, modifications, additions, component replacements), and to make appropriate requirements for compliance.

f. The Cost Approach is not required for VA purposes, but may be completed to supplement the indicated value in the Sales Comparison Approach. Since VA relies exclusively on the sales comparison approach to value (except in very unusual circumstances), the VA value estimate (market value) should never exceed that indicated in the Sales Comparison Approach.

g. VA fee appraisers and appraisal reviewers are encouraged to become familiar with the new form as soon as possible. The new Manufactured Home Appraisal Report requires more MH information than the URAR, but neither its completion nor its review should present significant difficulties.

QUESTIONS

Requests for additional information or further clarification should be made as soon as possible to the Construction and Valuation (C&V) Section at the VA Regional Loan Center of jurisdiction so that any prospective issues may be promptly addressed. You may e-mail the Phoenix Regional Loan Center's C&V Section at vavbapho/ro/cvqc@vba.va.gov or call toll-free at 1-888-869-0194, extension 3050.

RESCISSION: This bulletin is rescinded October 1, 2007.

//Signed//

SUSAN A. LLOYD
Acting Loan Guaranty Officer

Distribution: All Builders, Lenders, Inspectors and Fee Appraisers within the Jurisdiction of Phoenix RLC