

Policy Changes Affecting Value Adjustments and Photographs

1. Purpose. This Circular is a continuation of two previously active policies; value adjustments to the Department of Veterans Affairs (VA) Notice of Value (NOV) by lender's Staff Appraisal Reviewers (SARs), and required photographs in VA appraisals.

2. Rescission of prior SAR authority to issue an NOV at other than the appraiser's value estimate.

a. **SAR's may only issue the NOV at the appraised value reflected in an appraisal report that is acceptable to VA.** Questions regarding appraisal errors, omissions, or discrepancies that arise during the initial review should be resolved prior to issuing the NOV.

b. VA staff may continue to make adjustments to the NOV, as necessary.

3. Photograph Requirements for VA appraisals.

a. Interior photographs are required for all VA appraisals except when exterior only appraisals are permitted (certain liquidation appraisals when authorized by the Regional Loan Center of jurisdiction) and should include the following:

- (1) The kitchen.
- (2) All bathrooms.
- (3) Main living area.
- (4) Examples of physical deterioration, if present.
- (5) Examples of recent updates, such as restoration, remodeling, and renovation, if present.

b. Exterior photographs should include photographs showing the front view, rear view (preferably including a different side view in each photograph), and street scene of the subject property. The front view of each comparable sale is also required. The subject and all comparable sales must be appropriately identified and include photographs of any improvement, site feature, or view affecting value.

c. Photographs of comparable listings are encouraged, but not required.

d. Acceptable photographs include original, clear, and illustrative images. Copies of photographs from a multiple listing service or other source are only acceptable with an explanation why original photos were not available, e.g. gated communities where access may require trespassing to photograph, etc.

4. Questions. All inquiries should be sent to colenders@vba.va.gov.
5. Rescission: This Circular is rescinded January 1, 2020.

By Direction of the Under Secretary for Benefits

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