

New Appraisal Review Requirements and Instructions Regarding the Department of Veterans Affairs (VA) Appraisal Management Service for the Lender Appraisal Processing Program and the Servicer Appraisal Processing Program Staff Appraisal Reviewers

Frequently Asked Questions (FAQ)

1. Will the previous live Appraisal Management System (AMS Training for Staff Appraisal Reviewers (SARs) be provided again for those that missed it?

A1. Yes. The previous AMS Training for SARs live session was recorded and anyone may view the training. The training is located on the Staff Appraisal Reviewer (SAR) Information website, under the Training Schedule (https://www.benefits.va.gov/homeloans/appraiser_sar.asp).

2. How should the reviewer address all Critical, Severe and High alerts in the Data Integrity sub-section of the Credibility section that include the Sales date, gross living area (GLA), Bath Count and Lot size?

A2. VA is aware that some VeroSCORE reports are producing some unexpected alerts and Veros is currently researching and will provide VA with a resolution. Until further notice, SARs will not address the Sales Date, GLA, Bath Count, and Lot size AMS alerts in their review. In the event the SAR has additional information (outside of the VeroSCORE report) available that indicates that the appraiser did not use accurate data, the SAR may request clarification or revisions by the appraiser.

3. How should the SAR address the “Borrower Field – Field not populated” alert in the Completeness section of the VeroSCORE report, when the information is in the appraisal report?

A3. Currently, VeroSCORE is not receiving the borrower name through the MISMO file that is transferred from VA. SARs do not need to address this AMS alert. Veros will turn off this alert in the system, to ensure no further confusion.

4. Does the SAR still need to document High/Severe alerts in the VA Specific Alerts section of the VeroSCORE report since we are currently not addressing the alerts in FAQ question 2?

A4. Yes. The VA Specific Alerts section should be reviewed to identify any High/Severe alerts that fired during the VeroSCORE report creation process, other than the alerts mentioned in FAQ question 2. Each alert that is triggered will provide SARs with recommended actions to take regarding the risk being highlighted by the alert during the review process. Some alerts are critical in nature (High/Severe risk) and may require action, while others (medium/significant or low/moderate risk) are intended more as a warning to make SARs aware of the potential issue with the appraisal. During a comprehensive or cursory review, all High/Severe Alerts in VA Specific Alerts section must be documented in

WebLGY note section of the specific case, other than the alerts mentioned in FAQ question number 2.

5. Is there a centralized website/link that the SAR can leverage to complete their due diligence?

A5. No. VA does not have a centralized website/link for the lender/servicer SAR to utilize when performing their due diligence. As stated in VA Pamphlet 26-7, Chapter 13, Topic 2, a SAR certifies that he/she performed his/her due diligence function when reviewing the appraisal report to issue the Notice of Value (NOV). The SAR's due diligence function for issuing the NOV encompasses determining that the appraiser used methodologies that were appropriate and reasonable in light of industry-accepted appraisal techniques, made conclusions that were consistent, based upon the data in the report, and complied with applicable VA requirements. This function is not as a supervisory appraiser or as a co-signer of the report.

6. What is the requirement for a cursory review versus a comprehensive review?

A6. A cursory review is performed when the Overall Risk Score is 800 or above. A comprehensive review is required when the Overall Risk Score is 799 or below. Please refer to VA Circular 26-20-14, for more details regarding the review procedures. The circular is located at https://www.benefits.va.gov/HOMELOANS/resources_circulars.asp.

VA issues regarding the use and interpretation of VeroSCORE, should first be handled by the RLC of jurisdiction by email. A list of RLCs is located at http://www.benefits.va.gov/HOMELOANS/contact_cv.asp or by telephone at 1-877-827-3702, option 6. C&V management personnel will determine whether to elevate the issue to VA Central Office for final resolution.

7. In the Credibility section of the VeroSCORE report, if there are data integrity issues listed and the score is 800 or above, does the SAR have to address the issues?

A7. During a comprehensive or cursory review, all Critical, Severe and High alerts in the Data Integrity sub-section of the Credibility section and/or resubmissions of appraisals must be documented in WebLGY note section of the specific case, with the exception of alerts listed in FAQ question 2 above.

8. Can I provide the appraiser a copy of the VeroSCORE report or refer to it when I request the appraiser to make corrections to the report?

A8. No. The appraiser does not see the VeroSCORE report and should not be provided a copy of the report. The triggered alerts and corresponding recommended actions are not to be systemically cleared by the appraiser, but rather are meant to highlight risk that SARs should consider with their appraisal review prior to issuing the NOV.

SARs must NOT make demands on appraisers or provide instructions based solely on automated VeroSCORE alerts. SARs must use their own due diligence according to VA appraisal requirements in combination with VeroSCORE feedback. VA will actively monitor SARs who are asking appraisers to change their appraisal reports based solely on VeroSCORE feedback without further due diligence.

Please refer to VA Circular 26-20-14 paragraph 6a.(2)(c), for more information regarding this requirement. The circular is located at https://www.benefits.va.gov/HOMELOANS/resources_circulars.asp.

9. What happens when the appraiser makes revisions and the score changes?

A9. There is always the possibility that the Overall Risk Score can increase or decrease, based upon the appraisal report revisions. The SAR must review the new VeroSCORE report to verify that no new High/Severe alerts are reported in the VA Specific Alert section. The SAR must address all High/Severe alerts from all VeroSCORE reports and properly document resolution in the WebLGY notes section. Based upon the review and documentation, the appraisal may be considered acceptable in the judgment of the SAR.