

Thursday Morning Agenda and PowerPoint Slides

April 13, 2017

Time	Session	Speakers
7:45	Administrative Notes	Mark Connors
8:00	LGY Director's Address	Jeff London, Director, Loan Guaranty Service
8:30	Condominiums	Phyllis Chilton
8:45	Panel Discussion: Latest Trends in the Appraisal Industry	John Bredemeyer, President, Realcorp; Alan Hummel, Chief Appraiser, First American Mortgage Solutions; Greg Stephens, Chief Appraiser/Compliance, Metro-West Appraisal Co., LLC; Gerald A. Kifer, Supervisory Appraiser; Moderator: John Bell III, Assistant Director for Loan Policy and Valuation
10:15	Break	
10:35	Construction Loans	Kent Koehler, Greg Nelms
11:05	Summary of Discussion and Next Steps	John Bell III, Chiefs
12:00	Lunch	



Condominiums

Presented by:
Phyllis Chilton, Valuation Officer, Phoenix RLC

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HOW TO SUBMIT

- VBA Circular 26-16-35, dated November 3, 2016
- Program participants are required to upload condominium association documents into WebLGY in PDF format
- Establish condominium record in WebLGY
- Follow stacking and labeling order
- Remember to include your point of contact information with phone number and a valid e-mail address

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FHA APPROVED CONDOMINIUMS

- Effective December 7, 2009, VA no longer accepts HUD/FHA condominium project approvals in lieu of VA project review
- Condominiums **previously** accepted by VA, based upon HUD/FHA acceptance, continue to be acceptable to VA
 - New Phase additions cannot be added to condominiums that are HUD/FHA accepted
 - Complete package must be submitted to RLC for approval



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Condo Functions



WebLGY

Build# 16 3 119 Timestamp: 2016-02-29-2207

HOME	LOAN	VETERAN	WORKBUCKETS	ADM
Recently	Recent Loans			
	Loan Inquiry			
	Request Appraisal			
	Order IRRRL			
	Process Old Loan			
	Test Loan Analysis			
	Transfer Merger/Acquisition			
	AMS/AVM			
	Condo		Search Condos	
			Create Condo	



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Search Condo



WebLGY

Build# 16_3_119 Timestamp: 2016-02-29-2207

[HOME](#) [LOAN](#) [VETERAN](#) [WORKBUCKETS](#) [ADMIN](#) [CONTACT RLC](#)

Condo Search

Condo Search

Wild-card search can be performed using a * on the condo name field.

Condo ID	<input type="text"/>
Condo Name	<input type="text"/>
State*	<input type="text" value="v"/>
Status	<input type="text" value="v"/>

Search



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Search Results

Search Results

ID	Condo Name	State	Status
001234	ABC Condos	CA	Accepted Without Conditions
001234	BCD Condos	CA	Accepted Without Conditions
001234	CDE Condos	CA	Accepted Without Conditions



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Create Condo Record

WebLGY Help

Build# 10_3_119 Timestamp: 2016-02-29-2207

HOME LOAN VETERAN WORKBUCKETS ADMIN CONTACT RLC

Create Condo Information	Condo Contact Information
Building Status	Condo Name:* <input type="text"/>
Proposed Existing Indicator:* <input type="text"/>	Address:* <input type="text"/>
Condo Status	City:* <input type="text"/>
Disposition Code:* <input type="text"/>	State:* <input type="text"/> <input type="button" value="Load Counties"/>
Project Details	County:* <input type="text"/> <input type="button" value="Select state first"/>
Total Number of Phases: <input type="text"/>	Zip Code:* <input type="text"/>
Total Number of Units: <input type="text"/>	Zip Suffix: <input type="text"/>
Condo Conditions: <input type="text"/>	Condo Review Dates
	Date Project Received:* <input type="text"/>
	Date Documents Sent to District Council: <input type="text"/>
	Date Documents Received From District Council: <input type="text"/>
	Date Review Completed: <input type="text"/>

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REQUIRED DOCUMENTS

Required Stacking Order and Naming Convention

- Declaration
- Bylaws
- Amendments
- Plat Map
- Rules and Regulations
- Meeting Minutes
- Budget
- Special Assessment Letter
- Litigation Letter
- Presale Letter
- Other

Be sure to include the condo address including zip code and county

MOST COMMON ISSUES

- Creating multiple ID numbers for same association
- Incomplete Package
- Missing Pages
- Illegible Documents
- Documents Are Not Recorded
- Incomplete Contact Information



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VA Condominiums

Please save your
questions for today's
Open Forum



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Thank
you

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Construction Alteration Repair

Kent Koehler, Loan Production Officer, St. Paul RLC
Greg Nelms, Chief, Loan Policy, VA Central Office

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References for Construction, Alteration & Repair

- USC 38 3710
- VA Lender Handbook 26-7, Ch. 7, *Loans Requiring Special Underwriting, Guaranty and Other Considerations*
- Additional guidance in development

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Important Points to Consider

LGC will not be issued until a clear final compliance inspection report has been issued, and

Must meet MPR's, Reasonable Value and Funding Fee paid

Must have a VA builder ID prior to closing (all types)

Repair and Alterations must be those ordinarily found on similar properties of comparable value in the community



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Lender Expertise

Lenders should have the specialized experience to originate, process, underwrite (borrower, project and builder), close, service and administer such loans.

It is recommended that lenders participating in VA construction, repair, alteration, and improvement loans, have internal policy to address issues that are common to this type of lending.



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Determining the Acquisition Cost

The loan is closed prior to the start of construction based on the lesser of the acquisition cost or the “as completed” value as specified on the VA Notice of Value

Purchase price of lot or land payoff + construction costs(including builder fee/profit) +interest reserve (if not in construction costs), or

Inclusive purchase contract (Construction, lot, builder fee/profit, interest reserve), or

Purchase price + construction costs(including builder fee/profit) +interest reserve (if not in construction costs), or

Refinance of all existing liens + construction costs(including builder fee/profit) +interest reserve (if not in construction costs) + closing costs

Ordering the Appraisal

WebLGY

- Proposed- VA builder ID required
- Existing
- Built less than one year and never occupied

Construction to Permanent

- Construction Exhibits, 26-7 Ch. 10, sect.10.10

Alteration, Improve & Repair

- See 26-7 Ch. 10, sect. 10.05

Notice of Value

Does the NOV expire?

Under contract & continuous processing toward the closing of the loan, then the NOV is not considered to be expired & no new appraisal would be necessary.

Funding Fee

Construction Loans Only

Equity in the secured property counts as a downpayment for calculating the funding fee.
26-7, Ch. 8, sect. 8.g.

Benefits

Veteran Benefits

- Veteran opportunity to purchase a home that does not initially meet MPRs
- Build their dream home
- Include special features to help the Veteran
- Using own land- the ideal location!
- Cost effective way to improve the home

Lender Benefits

- Lender expertise adds to the product line
- Increased revenue, 26-7 Ch. 8, sect. 2



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Questions?

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