

Reduction in the Validity Period on Department of Veterans Affairs Notices of Value for Proposed Construction

1. Purpose. The purpose of this Circular is to remain consistent with previous policy and announce a reduction in the validity period for Department of Veterans Affairs (VA) Notices of Value (NOVs) for proposed construction cases. VA will use a 6-month validity period for **all** proposed construction cases. This action will result in the same validity periods for both existing construction and proposed construction cases.

2. Background. Chapter 13, Section 8 of the [VA Lenders Handbook](#) has provisions for limiting validity periods for valuations of proposed or under construction properties. Historically, VA has established a validity period of 1 year from the date of issuance of the NOV for all proposed construction cases. The 1-year validity period served all parties well during periods of stable markets. In light of the ongoing national economic climate, and in consultation with industry partners, VA has decided to reduce the validity periods of proposed construction.

3. Details. VA will utilize 6-month validity periods for **all** proposed construction cases. If a Veteran is under contract during a validity period, processing may continue until that transaction is either completed or terminated. On a case-by-case basis, VA may extend validity periods when requests for such actions are reviewed and found to be appropriate under prevailing conditions.

4. Actions. Effective immediately, personnel who are authorized to issue a VA NOV will ensure that the validity period is for a period not to exceed 6 months. Currently, WebLGY defaults to a 6-month validity period.

5. Questions. All inquiries should be sent to colenders@va.gov.

6. Rescission: This Circular is rescinded July 1, 2017.

By Direction of the Under Secretary for Benefits

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Director, Loan Guaranty Service

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