

Manufactured Home Appraisal Report

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

2. Background.

a. VA analysis of the *Manufactured Home Appraisal Report* has resulted in the determination that its use is preferable to the Uniform Residential Appraisal Report (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.

3. Details.

a. The *Manufactured Home Appraisal Report* (dated March 2005) will continue to be used for all VA appraisals for manufactured homes.

b. The *Manufactured Home Appraisal Report* is available online at:
Fannie Mae's website: https://www.fanniemae.com/content/guide_form/1004c.pdf and at
Freddie Mac's website: <http://www.freddiemac.com/singlefamily/forms/sell/pdf/70b.pdf>.

c. The *Manufactured Home Appraisal Report* 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.

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

e. 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 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 without detailed explanation.

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4. Actions.

a. The *Manufactured Home Appraisal Report* requires more MH information than the URAR, but neither its completion nor its review should present significant difficulties.

b. Regional Loan Centers (RLCs) should promptly disseminate this information to all lenders, servicers, and fee appraisers.

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

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 Rescission: This Circular is rescinded January 1, 2017.

By Direction of the Under Secretary for Benefits

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Director, Loan Guaranty Service

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