

Date: January 1997

To: All Appraisal System Subscribers

RE: A) Recent change to the HUD Title 1 Appraisal Program
 See attached two (2) page letter

B) Certification School Information:

Lincoln Graduate Center
PO Box 12528
San Antonio, TX 78212

For Appraisal Certification Course schedule call:

(800) 531-5333
(210) 225-2897

N.A.D.A. Appraisal Guides

A handwritten signature in black ink, appearing to read 'Vince', is positioned above the name of the sender.

Vince Pulsipher
Senior Editor at Phone Extension 233

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U. S. Department of Housing and Urban Development
Washington, D.C. 20410-8000

OFFICE OF THE ASSISTANT SECRETARY
FOR HOUSING-FEDERAL HOUSING COMMISSIONER

1/29/96

VINCE PULSIPHER

**MANUFACTURED
HOUSING DIVISION**

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Over the last four years, the Title I manufactured home loan program has experienced a dramatic reduction in loan volumes. During this same period, all of the States have established procedures for the licensing or certification of real property appraisers, and many appraisers have taken specialized courses in the valuation of manufactured homes.

As a result, there is less need for a national contractor to furnish manufactured home appraisals. The Department has decided that its present contract with Policy Management Systems Corporation (PMSC), which expired on December 31, 1995, will not be renewed. However, any appraisals ordered by December 31, 1995 will be completed by PMSC.

Effective January 1, 1996, the Department has revised the procedures for obtaining HUD-approved appraisals for existing and repossessed manufactured homes and for manufactured home lots. This letter describes the new procedures to be followed by all lenders in obtaining HUD-approved appraisals as required by §§ 201.10(b)(2), 201.10(c), 201.10(d)(1) and (2), 201.10(f)(3) and (5), 201.23(b), and 201.51(b)(3) of the Title I regulations. This letter supersedes the Department's earlier letter which was sent to you on December 1, 1995.

Appraiser Qualifications and Fees

For all appraisals of manufactured homes classified as personal property, lenders must use independent fee appraisers who (a) have successfully completed a specialized course in manufactured home valuation based upon the N.A.D.A. appraisal system, and (b) are not engaged in the business of manufactured home retail sales. Evidence that the appraiser has successfully completed a manufactured home valuation course must be furnished to the lender. Appraisal services may be obtained from an appraisal company, as long as the individual appraiser meets the qualifications. Fees for manufactured home appraisal services will be negotiated between the lender and the appraiser.

Post-It® Fax Note 7671

To	Vince Pulsipher
Co./Dept.	NADA
Phone #	
Fax #	714-556-6328

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For manufactured home lot loans and other transactions where the home and/or lot are classified as real property, it will no longer be necessary for lenders to contact the local HUD field office to obtain an appraiser. Lenders may use any independent fee appraiser who is licensed or certified by the State to perform real property appraisals. All real property appraisals must be carried out in accordance with the current edition of the Uniform Standards of Professional Appraisal Practice, as adopted by the Appraisal Standards Board of the Appraisal Foundation. Fees for real property appraisal services will be negotiated between the lender and the appraiser.

Determination of Appraised Value

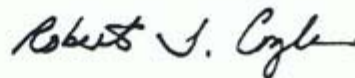
All appraisals of manufactured homes that are classified as personal property shall be based on the current National Edition of the N.A.D.A. Manufactured Housing Appraisal Guide, which is published quarterly. The manufactured home appraisal must include pictures of the home and all of the worksheets and computations required by the N.A.D.A. appraisal system, and it must be signed and dated by the appraiser. The lender shall obtain a copy of the complete appraisal, including all exhibits, from the appraiser.

The appraised value will be valid for a period of six months from the date of the appraisal. The complete appraisal must be retained by the lender for at least six years from the date of the appraisal.

For Further Information

If you have any questions about this letter, please contact the Title I Insurance Division staff at 202-755-7400.

Sincerely,



Robert J. Coyle
Director
Title I Insurance Division

Enclosure

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