



Vehicle Pricing and Information

Bulletin 7/08

Excerpt from FHA "Title I Lender & Servicer Newsletter," Volume X, Issue 2, July 1, 2008

To: All N.A.S. System Subscribers

BULLETIN 7/08 – Title I Appraisals

ORIGINATION AND REPOSSESSION APPRAISALS MUST BE CONSISTENT

A loan for an existing manufactured home requires an origination appraisal for the purpose of determining the home's value. If the loan defaults and is subsequently repossessed, another appraisal must be done. When a claim is filed for insurance benefits, a claims examiner will compare the appraisals for consistency regarding the configuration of the unit. If a serious discrepancy is noted, the claim may be denied. The discrepancy may then be difficult to rectify due to the fact that the unit has already been sold and is no longer available for re-inspection. We recommend that you review and compare these appraisals carefully.

Title I Letter 437, issued on January 29, 1996, instructs lenders to provide the repossession appraiser with a copy of the manufacturer's invoice for a loan on a new unit. That gives the appraiser an opportunity to look at the list of features on the invoice and account for them on the appraisal. We think that a similar advantage can be given to the repossession appraiser by providing him/her with a copy of the origination appraisal for a loan on an existing home. The repossession appraiser can use the origination appraisal as a tool to help prevent any errors or omissions on his/her appraisal.

Please copy and share this newsletter with others in your organization that work with the Financial Operations Center and the Title I Program!

Financial Operations Center, 52 Corporate Circle, Albany, NY 12203 1-800-669-5152
Claims HelpLine ext. 2836 Premiums HelpLine ext. 2832 Email HelpLine: Title_One_Help@hud.gov
