

SUPPORTING STATEMENT
Fannie Mae (FNMA) Forms 1004, 1004C, 1025, 2055 and 1075
OMB 2900- 0890

Summary of Changes from the Previously Approved Collection

- The information collection is being submitted as an “Extension” since there are no changes, to this information collection.
- No comments were received in response to the 60-Day Federal Register Notice.
- Titles: FNMA 1004 (Uniform Residential Appraisal Report); FNMA 1004C (Manufactured Home Appraisal Report); FNMA 1025 (Small Residential Income Property Appraisal Report); FNMA 2055 (Exterior Only Inspection Residential Appraisal Report); FNMA 1075, (Exterior Only Inspection Individual Condominium Unit Appraisal Report).

A. Justification

- 1. Explain the circumstances that make the collection of information necessary. Identify legal or administrative requirements that necessitate the collection of information.**

This information collection package seeks approval of Department of Veterans Affairs (VA) requirement that appraisers utilize certain industry-standard forms in completing an appraisal. 38 U.S.C. 3731 authorizes the VA Secretary to establish a panel of appraisers, prescribe qualifications for such appraisers, and determine reasonable value of a property, construction, repairs or alterations based on an appraisal report provided by a panel appraiser for the purpose of guaranteeing a loan.

VA is requesting approval to authorize collection of these forms because accurate and thorough appraisal reporting is critical to the accuracy of underwriting for the mortgage insurance process. Additionally, VA is looking to expand the list of authorized forms for use due to ongoing needs related to the pandemic. This collection of information provides a more thorough and complete appraisal of prospective VA-guaranteed properties ensuring that mortgages are acceptable for VA guaranty and thereby protect the interest of VA, taxpayers, and the Veterans Housing Benefit Program Fund. Policies and procedures for governing the VA appraisal program are set forth in Chapter 36, Title 38 of the CFR.

- 2. Indicate how, by whom, and for what purposes the information is to be used; indicate actual use the agency has made of the information received from current collection.**

The appraisal report forms listed below are the most common forms used in real estate appraisal profession and are industry-standard forms. They were created to allow for standard reporting and analysis of single-family, Manufactured homes, Condominiums, and 2-4-unit multi-family dwellings. They are suitable for a building in a planned unit development (PUD). The forms that VA requests the appraisers provide to VA are industry standard forms based upon the property type.

VA will collect these forms in accordance with 38 U.S.C. 3731. Pursuant to VA statute, regulations, and policies, the appraiser must complete the appropriate industry accepted appraisal form and send the information to VA by electronic means, whether it is through an upload, or an Application Programming Interface (API) or Extensible Markup Language (XML) data exchange already in place with other agencies, and Government Sponsored Enterprises (GSEs). A VA Staff Appraiser Reviewer (SAR), or a lender delegated to perform the action under the Lender Appraisal Processing Program (LAPP) will issue the Notice of Value (NOV). The NOV establishes the fair market value (FMV) of the property either being purchased or refinanced.

Fannie Mae Form 1004 dated March 2005, “Uniform Residential Appraisal Report” required to report an appraisal of a one-unit property or a one-unit property with an accessory unit.

Fannie Mae Form 1004C dated March 2005, “Manufactured Home Appraisal Report” required to report an appraisal of a one-unit manufactured home.

Fannie Mae Form 1025 dated March 2005, “Small Residential Income Property Appraisal Report” required to report an appraisal of a two- to four-unit property.

Fannie Mae Form 1075 dated March 2005, “Exterior-Only Inspection Individual Condominium Unit Appraisal Report” may be used to report an appraisal of a unit in a condominium project or a condominium unit in a planned unit development (PUD) in an FHA-to-FHA refinance transaction only.

Fannie Mae Form 2055 dated March 2005, “Exterior-Only Inspection Residential Appraisal Report” may be used to report an appraisal of a one-unit property or a one-unit property with an accessory unit in an FHA-to-FHA refinance transaction only.

Note: The Fannie Mae 1004D is not required for VA purposes, but could be submitted if used for a reinspection of the property.

- 3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information**

technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

Fannie Mae forms are available online at <http://www.hudclips.org>. However, most appraisers access these forms through appraisal software. Appraisers must send the completed form to VA via electronic means through the LGY HUB, whether it is through a manual upload, or an API or XML data exchange.

- 4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

A review of other collections did not identify duplication with other forms or processes.

- 5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

Due to the state requirements for appraisers to be licensed, the use of standardized forms does not have a negative effect on smaller entities.

- 6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently as well as any technical or legal obstacles to reducing burden.**

The inability to collect data from an appraisal report has a profound effect on the requirements to protect the Veteran and the VA program, as it would not be able to issue the guaranty and therefore would not allow VA to verify the value, or the safe, sound and sanitary condition of the property before the Veteran makes a purchase or a refinance, especially if they are not already a VA customer. This information collection allows VA, the lender and the Veteran a consistent understanding of how value was determined and gives VA a look into the performance and validity of the appraiser and the appraisal. It is accomplished on a one-time basis per individual applicant.

- 7. Explain any special circumstances that would cause an information collection to be conducted more often than quarterly or require respondents to prepare written responses to a collection of information in fewer than 30 days after receipt of it; submit more than an original and two copies of any document; retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years; in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study and require the use of a statistical data classification that has not been reviewed and approved by OMB.**

There is no special circumstance requiring collection in a manner inconsistent with 5 CFR 1320.6 guidelines.

- 8. If applicable, provide a copy and identify the date and page number of publications in the Federal Register of the sponsor's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the sponsor in responses to these comments. Specifically address comments received on cost and hour burden.**

A 60-Day Federal Register Notice (FRN) for the collection published on Tuesday, September 10, 2024. The 60-Day FRN citation is 89 FRN 73508 Page 73508.

A 30-Day Federal Register Notice for the collection published on Monday, November 18, 2024. The 30-Day FRN citation is Volume 89 FRN Pages 90832-90833.

- 9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

No payments or gifts to respondents have been made under this collection of information.

- 10. Describe any assurance of privacy, to the extent permitted by law, provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

VA will not disclose information collected on this form to any source other than what has been authorized under the Privacy Act of 1974, 78 FR 71727 and Title 38 Code of Federal Regulations 1.576 for routine uses identified in the VA system of records (17VA26 and 55VA26).

- 11. Provide additional justification for any questions of a sensitive nature (Information that, with a reasonable degree of medical certainty, is likely to have a serious adverse effect on an individual's mental or physical health if revealed to him or her), such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private; include specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

There are no questions of a sensitive nature.

12. Estimate of the hour burden of the collection of information:

Description of Information Collection	Number of Respondents	Frequency of Response	Total Annual Responses	Hours per Response	Annual Burden Hours	Hourly Cost	Total Annual Cost
				(expressed as percentage of hour for calculating burden hours)			
Providing appraisal form	650,000	1.00	650,000	.001	10,833	\$36.59	\$396,379.47
Totals				.001	10,833		\$396,379.47

Note: The appraiser is required to complete this information due to USPAP requirements. VA’s burden is based on providing the required documents to VA.

This is not a burden of time. This form is completed by appraisers to convey their opinion of value.

- a. Number of Respondents: 650,000
- b. Frequency of Response: Once
- c. Annual Burden Hours: 10,833
- d. Estimated Completion Time: The estimated time to complete this is based on the appraiser uploading the report through the VA system, LGY HUB. The respondent population that provides the Secretary their industry appraisal reports is composed of VA fee appraisers.

The Bureau of Labor Statistics (BLS) gathers information on full-time wage and salary workers. According to the latest available BLS data, the mean hourly wage is \$36.59 based on the BLS wage code – “13-2020: Property Appraisers and Assessors.” This information was taken from the following website: https://www.bls.gov/oes/current/oes_nat.htm

This is not a government form and the appraisal report requested is the only form that appraisers provide for residential lending. They receive payment

Estimated Annualized Cost to the Federal Government							
Grade	Step	Burden		Hourly Rate	Cost Per Response	Total Response	Total
		Time Min	Fraction of Hour				
11	6	45	0.75	\$40.56	\$30.42	13,000	\$395,460
Overhead at 100% Salary							
						Processing / Analyzing Costs	\$395,460
						Printing and Production Costs	\$0.00

when they are engaged to provide a valuation on a residential home. This value is provided on a form that the entire residential industry uses.

13. Provide an estimate of the total annual cost burden to respondents or record-keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

This submission does not involve any recordkeeping costs.

14. Provide estimates of annual cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operation expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

VA has an oversight responsibility to review at a minimum of 2% of all appraisals that are provided. The reports selected are based on risks associated with our automated internal Appraisal Management System scoring and any associated risks to the Secretary. VA staff will review the appraisal forms for accuracy according to policy and credibility of the value.

Estimated Costs to the Federal Government are accessible through this link [RUS_h.pdf \(opm.gov\)](#) The processing time estimates above are based on the actual amount of time employees of the grade level spend to process to completion a claim received on this form.

15. Explain the reason for any burden hour changes since the last submission.

There is no change in burden hours.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire

project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

VA does not publish this information or make it available for publication.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

We are not seeking approval to omit the expiration date for OMB approval.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB 83-I.

This information collection fully complies with all the requirements of 5 CFR 1320.8(b)(3).

B. Collection of Information Employing Statistical Methods

This collection of information by the Veterans Benefits Administration does not employ statistical methods.