

**Appraisal Assignment Waterfall**

**Important:** VA’s willingness to accept appraisal reports completed via Exterior-only Appraisals and Desktop Appraisals is **not** a substitute for an assessment by a VA fee panel appraiser as to the appropriate Scope of Work and whether a credible report may be delivered for the subject property.

<b>Mortgage Purpose</b>	<b>Appraisal Required?</b>	<b>Down Payment</b>	<b>Acceptable Appraisal Types</b>
Purchase <sup>1</sup>	Yes	20%	Interior Appraisal Interior Appraisal under Assisted Appraisal Processing Program (AAPP) Exterior-only Appraisal Exterior-only Appraisal under AAPP Desktop Appraisal
Purchase	Yes	None or less than 20%	Interior Appraisal Interior Appraisal under AAPP  <i>Under limited circumstances<sup>2</sup></i> Exterior-only Appraisal Exterior-only Appraisal under AAPP Desktop Appraisal
Cash-out refinance	Yes	-	Interior Appraisal Interior Appraisal under AAPP
Interest Rate Reduction Refinancing Loan (IRRRL)	No	-	<i>Appraisal waived</i>

<sup>1</sup> Exterior-only Appraisals and Desktop Appraisals are acceptable if all of the following is true:

- Down payment of 20% or more
- Lender is Lender Appraisal Processing Program (LAPP)-approved
- Purchase price does not exceed the conforming loan limit for the property jurisdiction
- Dwelling is a single family (1-unit) home that is not:
  - A manufactured home or condominium
  - Located on a leasehold estate
  - Undergoing renovation

<sup>2</sup> Lenders may also opt for an Exterior-only Appraisal or Desktop Appraisal when a case for a purchase transaction remains unassigned in VA’s system for more than 7 business days and all of the following is true:

- Lender is LAPP-approved
- Purchase price does not exceed the conforming loan limit for the property jurisdiction
- Dwelling is a single family (1-unit) home that is not:
  - A manufactured home or condominium
  - Located on a leasehold estate
  - Undergoing renovation