

2:12-cv-1595

ORIGINAL

FILED

JUL 22 2013

U.S. COURT OF FEDERAL CLAIMS

IN THE UNITED STATES COURT OF FEDERAL CLAIMS

VITTI & VITTI & ASSOCIATES, P.C.
Successors in interest to Louis P. Vitti
& Associates, P.C., Louis P. Vitti and
Edith Moen Vitti

No. 13-459C
Judge Susan G. Braden

RECEIVED

DEC 10 2013

CLERK, U.S. DISTRICT COURT
WEST. DIST. OF PENNSYLVANIA

v.

THE UNITED STATES

AMENDED COMPLAINT

NOW, come the Plaintiffs, Vitti & Vitti & Associates, P.C., Louis P. Vitti (hereinafter referred to as "LPV") and Edith Moen Vitti (hereinafter referred to as "EMV"), (Plaintiffs collectively hereinafter referred to as "Vitti") by and through their attorneys Louis P. Vitti, Esquire, and Vitti & Associates, P.C., and file this Amended Complaint whereof the following is a statement:

1. Plaintiffs come now to this Honorable Court and request judgment with regard to money that is due and owing to the Plaintiffs LPV and EMV by virtue of the acts of the Defendant, negligence of the Defendant, failure of the Defendant to perform as required and denial of the claim of the Plaintiffs in the appropriate administrative proceeding.

PARTIES

2. LPV and EMV are individuals residing in the Commonwealth of Pennsylvania with a mailing address of 215 Fourth Avenue, Pittsburgh, PA 15222.

3. Defendant United States Department of Veteran's Affairs (hereinafter referred to as "VA") is a federal governmental agency located at 810 Vermont Avenue Northwest, Washington, D.C. 20420, which, inter alia, manages real property purchased by veterans.

JURISDICTION AND VENUE

4. This Court has jurisdiction over this case pursuant to 20 U.S.C. §1332; 28 U.S.C. 1346(b) §2675; 28 U.S.C. §2401.

5. Venue is proper in this Court pursuant to 28 U.S.C. §1391(c)(1) and (e).

HISTORY OF THE CASE

6. Parties making the claim as Plaintiffs are Edith Moen Vitti and Louis P. Vitti, real parties in interest, with an address for purposes of this proceeding at 215 Fourth Avenue, Pittsburgh, PA 15222.

7. The proprietary interest in the property arises from the obligation of attorney Louis P. Vitti to indemnify Pennsylvania Housing Finance Agency (hereinafter referred to as "PHFA") after reconveyance of title to the property at 2116 Walton Avenue, Pittsburgh, PA 15210, Allegheny County, and Commonwealth of Pennsylvania.

8. By virtue of a contract with the VA, the PHFA services mortgages which are ultimately guaranteed by the VA.

9. Vitti represents the PHFA when it is necessary for the PHFA to commence

foreclosure proceedings against properties for which there is a VA guarantee.

10. With respect to the property at issue here, Vitti represented the PHFA in a foreclosure proceeding and secured an order and judgment in foreclosure in favor of the PHFA.

11. Thereafter, the property subject to the foreclosure was sold at a sheriff's sale on the 10th day of October, 2009.

12. Pursuant to a contract between the PHFA and the VA, once the property is recovered in foreclosure, the VA purchases the property from the PHFA. For its part, the PHFA under this agreement is to provide clear title to properties which have gone through foreclosure to the VA. The VA then disposes of the property.

13. This arrangement is accomplished by a transfer of the title from the PHFA to the VA. However, that transfer is itself conditional on the PHFA having secured good and marketable title through the foreclosure procedure.

14. Pursuant to the agreements between the VA and the PHFA, in the event that clear title is not provided, and the VA cannot dispose of the properties, the VA is entitled to return the properties to the PHFA and cause the PHFA to refund the money paid to it by the VA.

15. Pursuant to the arrangement between Vitti and the PHFA, if a property is returned to the PHFA, as a result in a defect in the foreclosure proceedings, Vitti is required to indemnify the PHFA for the loss suffered by the PHFA when the VA returned the property.

16. Implicit and perhaps explicitly inherent in the contractual obligations between the VA and the PHFA, is that each will act to preserved the property, when the property is in the care,

custody, control of the entity.

17. In this case, it turned out that there was an impediment to the title following the foreclosure proceeding and the VA elected to pursue its right under its contract with the PHFA to return the property to the PHFA. In turn, the PHFA compelled Vitti to indemnify it for the injuries it suffered.

18. The Defendant VA is the entity that elected to reconvey the property because of title issues that were resolved, however, an issue regarding the timeliness of such resolution resulted in the decision by Defendant for reconveyance.

19. On August 11, 2009, at the time appraiser Harry James Smeltzer provided a value for the property in an amount of \$48,000.00 (See Exhibit "A").

20. This was the price the VA paid to the PHFA when the property was conveyed to the VA.

21. Subsequent to the appraiser evaluation, the Defendant VA took possession of the property and relieved the servicer PHFA of the obligation to secure the property.

22. The file was received in the REO Department of PHFA on October 5, 2009 and forced-placed insurance covered the property at that time.

23. On October 21, 2009, the Defendant VA paid the net value to PHFA; the insurance was cancelled since the Defendant VA had assumed responsibility for the property.

24. Defendant VA did not obtain, procure or maintain proper insurance on the property once it was in the Defendant VA's possession.

25. Defendant VA did not properly secure the property to protect the property from

damage or vandalism.

26. Inspections were conducted on the property October 5, 2009 and the property was vacant, locked, electricity turned off, water turned off, fair condition and winterized.

27. A second inspection was done on October 13, 2009 showing the property secure. There was no mention of any damages to the property in the appraisal completed August 22, 2009 (See Exhibit "B").

28. After it acquired title, the VA discovered that there were impediments to conveyance and thereafter exercised its rights under its contract with the PHFA to require the PHFA to retake the property.

29. Hence, under the contract between the VA and the PHFA, the PHFA was required to accept the return of property and refund the VA the sum of \$48,000.00 for the value of the property.

30. At this time, the PHFA sought indemnification from Vitti for its loss, and conveyed the property to Vitti, who in turn had to pay the PHFA the sum of \$48,000.00.

31. During this time, before the property was returned to the PHFA and Vitti became the owner of the property, the VA failed to exercise its implied and explicit duties and obligations under its agreement with the PHFA, to insure the property was maintained and not vandalized.

32. Subsequent to the reconveyance, an appraisal in the nature of a Broker's Price Opinion has been performed on the property by one Richard Creo and the value of the property is shown at \$24,900.00 (See Exhibit "C").

33. During the period of time between November 2009 and a final inspection December 28, 2010, while in the care and custody of the Defendant VA, the property was vandalized and damage suffered in the amounts reflected in both the appraisals and the estimates of repair attached hereto (See Exhibit "D"). In fact, due to the negligence of the VA with respect to the way it handled the property in this time, the property was vandalized and suffered a diminution in value.

34. A claim was filed with the Department of Veteran's Affairs and was denied May 24, 2012 (See Exhibit "E"). No reconsideration was formally requested and this claim is filed within the six month time period.

COUNT I
(Negligence)

35. Plaintiffs incorporate by reference thereto the allegations contained in the preceding paragraphs as if set forth fully herein.

36. Defendant VA owed a contractual duty to the PHFA to preserve the property while it was in its possession, custody, control, in the event that the property was going to be returned to the PHFA. Specifically, the VA had an obligation to secure the property in such a way as to preserve its value and prevent vandals from entering the property and taking copper pipes, or in the alternative be responsible for any diminution in value.

37. In fact, the VA did not so maintain the property as alleged above. Due to the negligent

manner in which it performed its contractual duties, the property was vandalized. Consequently, it breached its duty to the PHFA.

38. Section 324 of the Restatement of Torts (2nd) provides that when a party undertakes certain contractual duties, it is liable to third persons regardless of any privity of contract who might be injured as a result of the party's failure to properly perform its contractual duties and undertakings. In this case, the VA owed a duty beyond the terms of its contact with the PHFA to persons such as the Vittis to preserve the property while it was in its possession.

39. Defendant VA failed to meet the obligation to the Vittis, and as a proximate cause and by virtue of its actions or failure to act and the failure to secure and protect the property, the property value decreased as set forth in the exhibits attached hereto.

40. The negligence of the Defendant VA constituted a breach of contract to the PHFA to maintain in that the property conveyed was valued significantly lower than the agreed upon sales price and/or value as conveyed to the Defendant VA and consequently it is liable in Tort to Vitti. *Evans v Otis Elevator Co.*, 403 PA 13, 18-19 168 A.2d 573 (1961).

41. As a direct and proximate result of the actions of the Defendant VA, the property, valued at or near the time of the transfer, was valued at a significantly lower amount, and the decrease in value was a direct and proximate result of the actions and negligent failure to act of the Defendant VA to preseve the property.

42. As a direct and proximate result of the Defendant VA's negligence, EMV and LPV have been damaged in an amount not less that the difference in the values as set forth above in the

amount of Twenty-Three Thousand Nine Hundred and 00/100 (\$23,900.00) Dollars plus the cost of repair attached hereto.

COUNT II
(Breach of Contract)

43. By virtue of the actions of the Defendant VA in failing to exercise their duties and responsibilities, Plaintiffs were compelled to employ and repair the premises by having contractors appear who removed the drywall surrounding the area where the copper pipes had been located and replace the stolen copper pipe with new copper pipe, all to the great damage and loss of Plaintiffs.

COUNT III
(Declaratory Judgment)

44. Plaintiffs incorporate by reference thereto the allegations contained in the preceding paragraphs as if set forth fully herein.

45. Plaintiffs allege that the parties in the instant lawsuit have adverse legal interests of sufficient controversy, and such adverse interests are of sufficient immediacy and reality to warrant a declaratory judgment.

46. Plaintiffs further set forth that the Defendant VA had an obligation to deliver the property in essentially the same condition that it represented, and that which it was received, and that the Defendant VA did not convey to the Plaintiffs the property in the condition that it represented the property would remain or that it had been provided to the Defendant VA.

47. The Defendant VA has demanded reimbursement for damages it has suffered, when in fact the damages were borne by the Plaintiffs and were the direct and proximate result of the actions of the Defendant VA.

WHEREFORE, Plaintiffs Louis P. Vitti and Edith M. Vitti request this Honorable Court enter an award of damages to the Plaintiffs in an amount of Twenty-Three Thousand Nine Hundred and 00/100 (\$23,900.00) Dollars plus the costs of repair of Eighteen Thousand Five Hundred (\$18,500.00) Dollars for a total of Forty Two Thousand Four Hundred and 00/100 (\$42,400.00) Dollars, or in the alternative, the sum of Forty-Eight Thousand and 00/100 (\$48,000.00) Dollars, the value in question and reconvey the property to Defendant VA.

Respectfully submitted:

A handwritten signature in black ink, appearing to read "Louis P. Vitti". The signature is written in a cursive style with a horizontal line underneath the name.

Louis P. Vitti, Esquire
PA Attorney ID No. 01072
Plaintiff/Attorney for Plaintiffs

Vitti & Vitti & Associates, P.C.
215 Fourth Avenue
Pittsburgh, PA 15222
(412) 281-1725

Exhibit "A"

C. Miller

Smelter Appraisal Services (724)733-3535

File No. B2078 Page #1

Uniform Residential Appraisal Report

11-11-6-0247125

File # B2078

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address: 2118 Walton Ave, City: Pittsburgh, State: PA, Zip Code: 15210-4148
 Borrower: Army Qualified Veteran, Owner of Public Record: Miller, German, County: Allegheny

Legal Description: DBV 9780 P. 633, Tax Year: 2009, R.E. Taxes: \$ 1,932
 Assessor's Parcel #: 06-F-99, Map Reference: 38300, Census Tract: 3204.00

Neighborhood Name: Overbrook, 32nd Ward/Pittsburgh, Map Reference: 38300, R.E. Taxes: \$ 1,932
 Occupant: Owner Tenant Vacant, Special Assessments: NA, PUO HOA \$ NA, per year per month

Property Rights Appraised: Fee Simple Leasehold Other (describe)
 Assignment Type: Purchase Transaction Refinance Transaction Other (describe) Liquidation

Lender/Client: Department of Veterans Affairs, Address: INTENDED USER ANY VA APPROVED LENDER
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offering price(s), and date(s): West Penn Multi-List

did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price: NA, Date of Contract: , Is the property under the owner of public record? Yes No, Data Source(s):
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid.

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	75 %
Build-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> In Balance	<input checked="" type="checkbox"/> Over Supply	<input type="checkbox"/> Under Supply	\$ (000)	(yrs)	2-4 Unit	5 %
Growth	<input type="checkbox"/> Rapid	<input type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	5	Low	Mid-Family	5 %
Neighborhood Boundaries	This area is in the 32nd Ward of the City of Pittsburgh known generally as				180	High	140	Commercial			10 %
	Overbrook. The subject's market area encompasses both the Overbrook and Carrick's neighborhoods.				60	Med.	70	Other			5 %

Neighborhood Description: The residential neighborhood is within reasonable proximity to employment and amenities. Employment appears stable, and there are no special adverse factors affecting the subject's marketability. This is the Pittsburgh City School District.

Market Conditions (including support for the above conclusions): See page 3 of 6 and attached form 1004MC.

Dimensions: 97 X 100, Area: 3,850 Sq.Ft., Shape: Roughly Rectangular, View: Residential

Zoning Description: Residential
 Specific Zoning Classification: Residential
 Zoning Compliance: Legal Legal Nonconforming (General shared Use) No Zoning Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No, describe

Utilities: Public Other (describe) Public Other (describe) Off-site improvements - Type: Public Private
 Electricity: 100 Amp, Water: Pumper 40 gal. pwhl, Sewer: Street Brick
 Gas: GFA Furnace, Sanitary Sewer: Alley Asphalt, FEMA Map # 42003C0303E, FEMA Map Date: 10/4/1996

FEMA Special Flood Hazard Area: Yes No, FEMA Flood Zone: X, FEMA Map # 42003C0303E, FEMA Map Date: 10/4/1996
 Are the utilities and off-site improvements typical for the market area? Yes No, describe
 Are there any adverse site conditions or external factors (sewerage, encroachments, environmental conditions, land uses, etc.)? Yes No, describe

Units	<input checked="" type="checkbox"/> One	<input type="checkbox"/> One with Accessory Unit	Concrete Sub	<input type="checkbox"/> Craw Space	Foundation Walls	Concrete Block/Avg	Floors	Car/Hwd/Vin/Avg	
# of Stories	2.5	<input checked="" type="checkbox"/> Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls	Brick/Avg	Walls	Plaster/Drywall/Avg		
Type	<input checked="" type="checkbox"/> Det.	<input type="checkbox"/> AN.	<input type="checkbox"/> S-Det/End Unit	Basement Area	682 sq.ft.	Roof Surface	Comp Shingle/Avg	Trim/Finish	Wood/Avg
<input checked="" type="checkbox"/> Existing	<input type="checkbox"/> Proposed	<input type="checkbox"/> Under Const.	Basement Finish	40 %	Stairs & Downspouts	Metal/Avg	Bath Floor	CT/Good	
Diston (Style)	2.5 Sht/Avg	<input checked="" type="checkbox"/> Outside Entry/Exit	<input type="checkbox"/> Sump Pump	Window Type	Double Hung/Good	Insulation/Good	Bath Wainscot	CT/Good	
Year Built	1930	<input type="checkbox"/> E/cased or	<input type="checkbox"/> Installation	Stem Sash/Insulated	Insulated/Good	Car Storage	<input checked="" type="checkbox"/> None	# of Cars	
Effective Age (Yrs)	25	<input type="checkbox"/> Demonsas	<input type="checkbox"/> Ballroom	Screens	Screens/Good	# of Driveway	# of Cars		
Attic	<input type="checkbox"/> None	Heating	<input checked="" type="checkbox"/> FWA	MV/BG	<input type="checkbox"/> Radiant	Arms/legs	Wood/stor(s) #	Driveway Surface	
<input type="checkbox"/> Drop Stair	<input checked="" type="checkbox"/> Stairs	Other	Foof Glass	Firplace(s) #	Fence	Garage	# of Cars		
<input checked="" type="checkbox"/> Floor	<input type="checkbox"/> Scuffe	Cooling	Central Air Conditioning	Pool/Deck	Pool	Carport	# of Cars		
<input checked="" type="checkbox"/> Finished	<input type="checkbox"/> Heated	Individual	Other	Pool	Other	All	Del.	Built-in	

Appliances: Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Other (describe)

Finished area above grade contains: 8 Rooms, 2 Bedrooms, 1 Bath(s), 1,056 Square Feet of Gross Living Area Above Grade

Additional features (special energy efficient items, etc.): enclosed rear porch.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.): The dwelling is generally consistent with others in the area and is functionally acceptable. Physical deficiencies noted include: some missing shingles on dormer, damaged drywall in basement PR and RR; rotted carpeting, marked walls, new shower head in main bath. Recent improvements include newer kitchen and bath and attic finish. Functional inadequacies include a very narrow staircase to the finished, unheated attic. Utilities were not functioning at inspection. Subject appears to be winterized - date of winterization unknown. No apparent problems with heating, electrical or plumbing systems.
 Are there any physical deficiencies or adverse conditions that affect the usability, soundness, or structural integrity of the property? Yes No, describe

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No, describe

11-11-B-0247126

File # 92076

Uniform Residential Appraisal Report

There are 21 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 40,000 to \$ 60,000
 There are 40 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 40,000 to \$ 60,000

FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3	
Address	2116 Walton Ave Pittsburgh 15210	2275 Spokane Ave Pittsburgh 15210	2308 Walton Ave Pittsburgh 15210	2324 Walton Ave Pittsburgh 15210	
Proximity to Subject	3.48 blocks SE	3.12 blocks S	3.72 blocks E		
Sale Price	\$ NA	\$ 63,000	\$ 60,000	\$ 48,000	
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 69.00 sq.ft.	\$ 62.03 sq.ft.	\$ 60.63 sq.ft.	
Data Source(s)	MLS #736784 DOM = 102	MLS #744074 DOM = 103	MLS #779548 DOM = 45		
Verification Source(s)	County Record	County Record	County Record		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sales or Financing Concessions	FHA None Known	Conventional None Known		FHA 3% Seller Assist	
Date of Sale/Time	12/8/2008	12/28/2008		7/31/2008	
Location	Average	Average		Average	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple	
Site	37X100/Avg	25X100/Avg		37X100/Avg	
View	Residential	Residential		Residential	
Design (Style)	2.5 Sty/Avg	2 Sty/Avg		2.5 Sty/Avg	
Quality of Construction	Brick/Avg	Brick/Siding/Avg	-3,000	Brick/Siding/Avg	
Actual Age	78	84		81	
Condition	Average	Superior	-3,000	Superior	-3,000
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths	
Room Count	6 2 1	6 2 2	-3,000	6 2 1	
Gross Living Area	1,058 sq.ft.	1,000 sq.ft.		850 sq.ft.	+2,000
Basement & Finished Rooms Below Grade	682 Sq.Ft. RR/Bath/No Cpl	Full/ Open	+2,000	Full/ Open	+2,000
Functional Utility	Average	Average		Average	
Heating/Cooling	FA/No CAC	FA/No CAC		FA/CAC	-1,000
Energy Efficient Items	Included	Included		Included	
Garage/Carport	None	None		None	
Porch/Patio/Deck	Porch, Encl Presh	Similar		Superior Deck	-1,500
Attic	Finish	None	+1,500	Finish	
Fireplaces	No FP	1 FP	-600	No FP	
Net Adjustment (Total)			-3,000		-3,000
Adjusted Sale Price of Comparables	Net Adj. 5.7%	Net Adj. 6.0%		Net Adj. 1.0%	
	Gross Adj. 18.9%	Gross Adj. 28.0%		Gross Adj. 15.8%	
		\$ 60,000		\$ 47,000	
				\$ 48,500	

I did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) MLS & County Records

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) MLS & County Records

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer	NA	NA	NA	NA
Price of Prior Sale/Transfer	NA	NA	NA	NA
Data Source(s)	MLS/County Records	MLS/County Records	MLS/County Records	MLS/County Records
Effective Date of Data Source(s)	8/31/2008	8/31/2008	10/31/2008	10/31/2008

Analysis of prior sale or transfer history of the subject property and comparable sales Available sources do not indicate that the subject sold during the 36 months preceding the effective date, or that any of the comparables had any additional sale during the 12 months preceding their sale dates above.

Summary of Sales Comparison Approach Comparables #1 & #2 sold in excess of six months prior to the effective date, but were used because of similar characteristics and proximity. The quality adjustment to comparable #3 reflects market value differences due to the comparable's inferior non-masonry exterior and its superior hardwood floors and upgraded cabinetry and trim work. Condition adjustments reflect the subject's physical deficiencies noted above. Adjustments for differences in gross living areas were calculated at \$20/sf. Gross living areas of comparables are estimates based on sources listed. The necessary use of dissimilar properties resulted in adjustments to sales prices in excess of recommended guidelines. The adjustments are warranted, and the adjusted comparables are reflective of the market for the subject. All comparables were given similar weight in estimating market value, due to the tight value range.

Indicated Value by Sales Comparison Approach \$ 48,000 Cost Approach (if developed) \$ NA Income Approach (if developed) \$ NA

The Income Approach was deemed not applicable due to a lack of sufficient data to arrive at a reliable indication of market rent and gross rent multiplier. The Sales Comparison Approach was given primary weight as it most closely reflects the actions of the market. See additional comments on page 3.

This appraisal is made "as is", subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require attention or repair:

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 48,000 as of 8/22/2009, which is the date of inspection and the effective date of this appraisal.

File No. 92076 Page #3

11-11-6-0247126

File # 92076

Uniform Residential Appraisal Report

This report is intended for use only by the lender/client as stated on page four of this report and identified on page one. The use of the term rely in item #23 on page six of this report is simply acknowledgement by the appraiser of the possibility that the parties identified therein might choose rely on the report. The parties identified in item #23 on page six of this report are not intended users of this report.

The income and cost approaches would not add to the reliability of the report, and have not been performed as a part of this appraisal.

A complete visual inspection does not include inspection of any hidden or unapparent physical deficiencies. Please see item five on page four of this report.

URAR: Neighborhood - Market Conditions

Property values appear stable. The summary of One-Unit Housing Trends is for comparable properties (see attached form 1004MC). Demand and supply for the neighborhood are not in balance (based on data provided by West Penn Multi List, there are currently 119 listings in the subject's neighborhood, with 123 sales closed over the past 12 months). A review of sales indicates a marketing time (led to contract date) of 90-120 days. Interest rates are at an effective level. I have considered relevant competitive listings and/or contract offerings in the performance of this appraisal and in trending information reported in this section. If a trend is indicated, I have attached an addendum providing relevant competitive listings/contract offering data. Estimated sale/list price ratio is 95%. Unusual financing (discounts, concessions) is rare. VA and FHA financing is not uncommon, nor are nominal seller concessions.

The appraisal request was received on 8/11/2009. After receipt of key from applicant on 8/14, the subject was inspected at the earliest convenience on 8/22/2009. The report was updated on 8/31/2009.

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations. Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

ESTIMATED	REPRODUCTION OR	REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$
Source of cost data			DWELLING	Sq. Ft. @ \$
Quality rating from cost service	Effective date of cost data			Sq. Ft. @ \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)			Garage/Carport	Sq. Ft. @ \$
			Total Estimate of Cost-New	= \$
			Less: Physical	
			Functional	
			External	
			Depreciation	= \$
			Depreciated Cost of Improvements	= \$
			As-is Value of Site Improvements	= \$

Estimated Remaining Economic Life (HUD and VA only) 35 Years INDICATED VALUE BY COST APPROACH = \$

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM)

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data source(s)

Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion.

Does the project contain any multi-dwelling units? Yes No Data Source

Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

Uniform Residential Appraisal Report

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit, including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Uniform Residential Appraisal Report

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Uniform Residential Appraisal Report

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER
 Signature [Signature]
 Name Harry J. Smetzer, MAI
 Company Name Smetzer Appraisal Service
 Company Address 4503 Northidge Ct. Marysville, PA 16858
 Telephone Number (724) 695-2307
 Email Address hjs21@comcast.net
 Date of Signature and Report August 31, 2008
 Effective Date of Appraisal 8/22/2008
 State Certification # RL001872L
 or State License # _____
 or Other (describe) _____ State # _____
 State PA
 Expiration Date of Certification or License 8/30/2011

SUPERVISORY APPRAISER (ONLY IF REQUIRED)
 Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

ADDRESS OF PROPERTY APPRAISED
2116 Walton Ave
PRiebsmh, PA 16210-4148
APPRAISED VALUE OF SUBJECT PROPERTY \$ 48,000
LENDER/CLIENT
 Name _____
 Company Name Department of Veterans Affairs
 Company Address INTENDED USER ANY VA APPROVED
LENDER
 Email Address _____

SUBJECT PROPERTY
 Did not inspect subject property
 Did inspect exterior of subject property from street
 Date of Inspection _____
 Did inspect interior and exterior of subject property
 Date of Inspection _____
COMPARABLE SALES
 Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection _____

File No. 920761 Page #7

11-11-6-0247126

File No. 92076

Market Conditions Addendum to the Appraisal Report

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address: 2116 Weston Ave City: Pittsburgh State: PA ZIP Code: 15210-4148

Borrower: Any Qualified Veteran
 Instructions: The appraiser must use the information reported on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all of the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. If it is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compare with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
				Increasing	Stable	Declining
Total # of Comparable Sales (Settle)	11	1	8	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Absorption Rate (Total Sales/Month)	1.83	0.33	2.67	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total # of Comparable Active Listings	24.7	24.7	24.7	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Months of Housing Supply (Total Listings/Ab. Rate)	13.5	74.1	9.1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Median Sale Price	56,000	59,000	54,750	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Median Comparable Sale Price	102	147	109	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Median Comparable List Price	62,750	60,000	62,450	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Median Comparable Listing Days on Market	120.5	124.3	128.5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Median Sale Price as % of List Price	85.16	92.19	84.89	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Seller (developer, builder, etc.) paid financial assistance prevalent? Yes No
 Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, bonds fees, options, etc.). Seller concessions of 3% to 6% are not uncommon, and have remained steady.

Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties).
 Approximately 24% of all sales in this market over the past 12 months were REOs, while approximately 14% of active listings are REOs.

Cite data sources for above information: West Penn Multi-List.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.
 The One-Unit Housing Trends grid in the Neighborhood Section of the appraisal report reflects the above data for comparable sales 12 and 2.6 story dwellings in Carrick and Overbrook with sale and list prices between \$40,000 and \$80,000. Therefore, it does not reflect market conditions in general in the neighborhood, and should not be interpreted as representative of general market conditions for the neighborhood. Data indicates increasing sales and absorption rates, increasing listings and decreasing months of housing supply (however, this last indicator is mathematically flawed, as it divides the number of listings over a period of time by the absorption rate, instead listing as of a point in time by sales over a period of time). Data also indicates a declining listing DOM.

The number of active listings on page 2 may not correspond with the number of listings in the "Current-3 Month" column above, because that represents the number of listings on the market over a three month period, while page 2 is the number of listings as of a point in time.

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
				Increasing	Stable	Declining
Total # of Comparable Sales (Settle)				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Absorption Rate (Total Sales/Month)				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total # of Active Comparable Listings				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Months of Unit Supply (Total Listings/Ab. Rate)				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Are foreclosure sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

Signature Appraiser Name: Harry J. Smeltzer, MIA	Signature Supervisory Appraiser Name
Company Name: Smeltzer Appraisal Service	Company Name
Company Address: 4803 Northridge Ct, Murfreesboro, PA 15888	Company Address
State License/Certification #: RL001972L State: PA	State License/Certification #: State
Email Address: hjs21@comcast.net	Email Address

File No. 920761 Page #8

Subject Photo Page

Borrower/Class	Any Qualified Veteran				
Property Address	2118 Walton Ave				
City	Pittsburgh	County	Allegheny	State	PA Zip Code 15210-4148
Lender	Department of Veterans Affairs				



Subject Front

2118 Walton Ave
 Sales Price NA
 Gross Living Area 1,058
 Total Rooms 6
 Total Bedrooms 2
 Total Bathrooms 1
 Location Average
 View Residential
 Site 37X100/Avg
 Quality Brick/Avg
 Age 78



Subject Rear



Subject Street

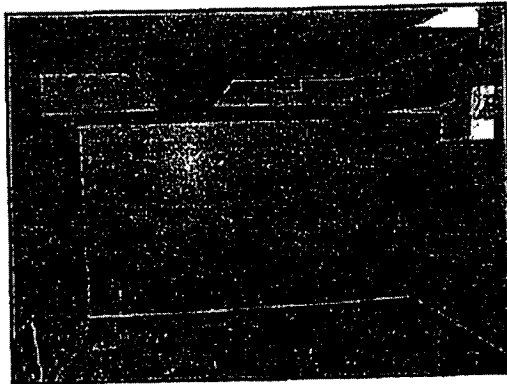
File No. 820761 Page #10

Photograph Addendum

Borrower/Client	Any Qualified Veteran				
Property Address	2118 Walton Ave		State	PA	Zip Code 15210-4148
City	Pittsburgh	County	Allegheny		
Lender	Department of Veterans Affairs				



Missing shingles on dormer



Basement finish: drywall walls and ceiling; no carpeting; graffiti on wall



Damaged drywall in basement

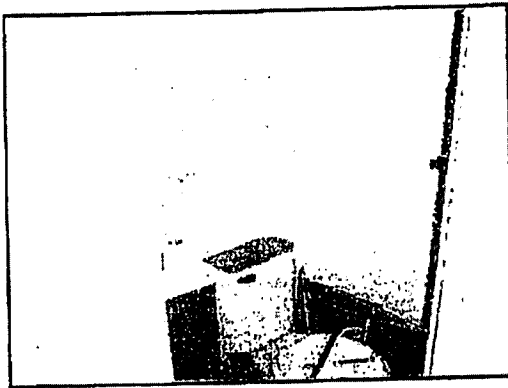
File No. B2076 Page #11

Photograph Addendum

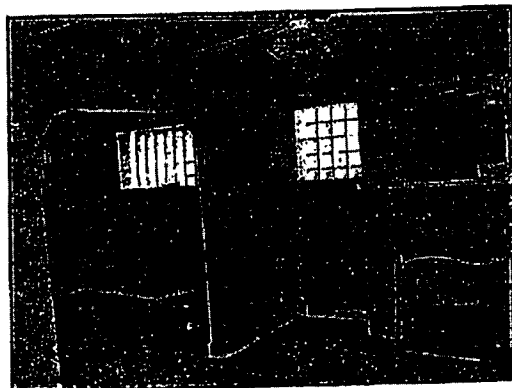
Borrower/Client	Any Qualified Veteran				
Property Address	2116 Weston Ave		State	PA	Zip Code 15210-4148
City	Pittsburgh	County	Allegheny		
Lender	Department of Veterans Affairs				



Furnace



Basement bath with damaged drywall



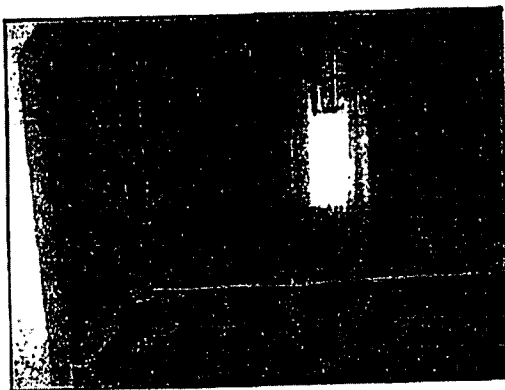
Living room

File No. 2076 Page #12

Photograph Addendum

Borrower/Client	Any Qualified Veteran		
Property Address	2118 Welton Ave		
City	Pittsburgh	County	Allegheny State PA Zip Code 15210-4148
Lender	Department of Veterans Affairs		

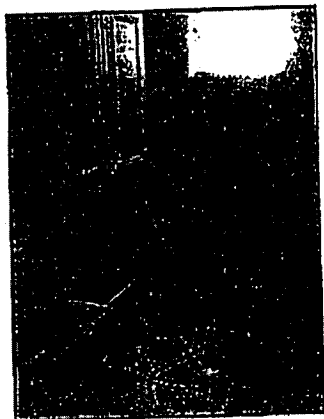
Dining room



Kitchen - one mismatched counter top.



2nd floor bath

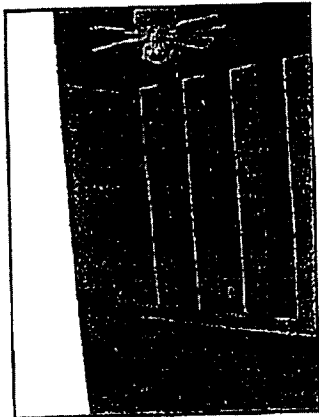


File No. 92076 Page #13

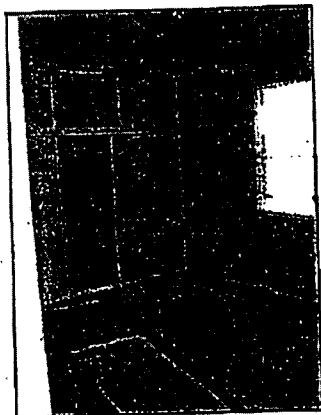
Photograph Addendum

Borrower/Client	Any Qualified Veteran		
Property Address	2116 Walton Ave	County Allegheny	State PA Zip Code 15210-4148
City	Pittsburgh		
Lender	Department of Veterans Affairs		

Bedroom



Bedroom with repaired ceiling



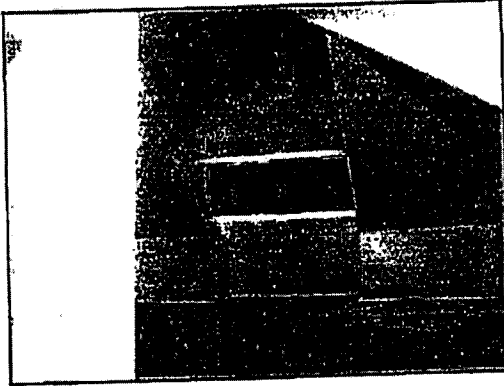
Narrow stairway to attic



File No. B20761 Page #14

Photograph Addendum

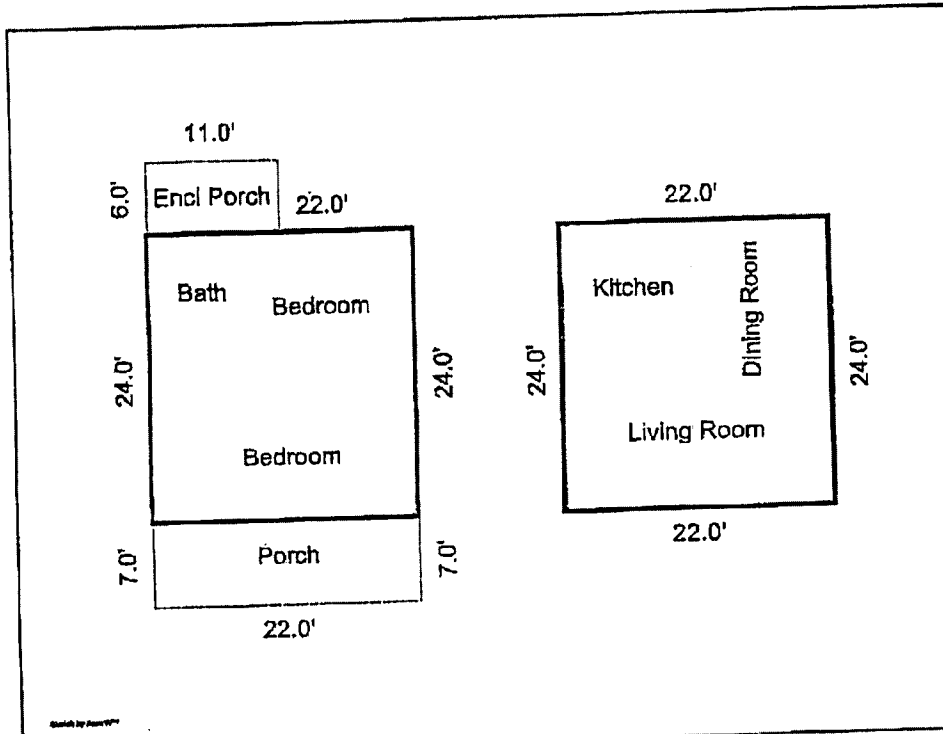
Borrower/Client	Any Qualified Veteran		
Property Address	2116 Walton Ave	County	Allegheny
City	Pittsburgh	State	PA
Lender	Department of Veterans Affairs		
		Zip Code	15210-4148



Finished, unvoiced attic

Building Sketch

Borrower/Client	Any Qualified Veteran		
Property Address	2116 Walton Ave	County	Allegheny
City	Pittsburgh	State	PA
Zip Code	15210-4148		
Lender	Department of Veterans Affairs		



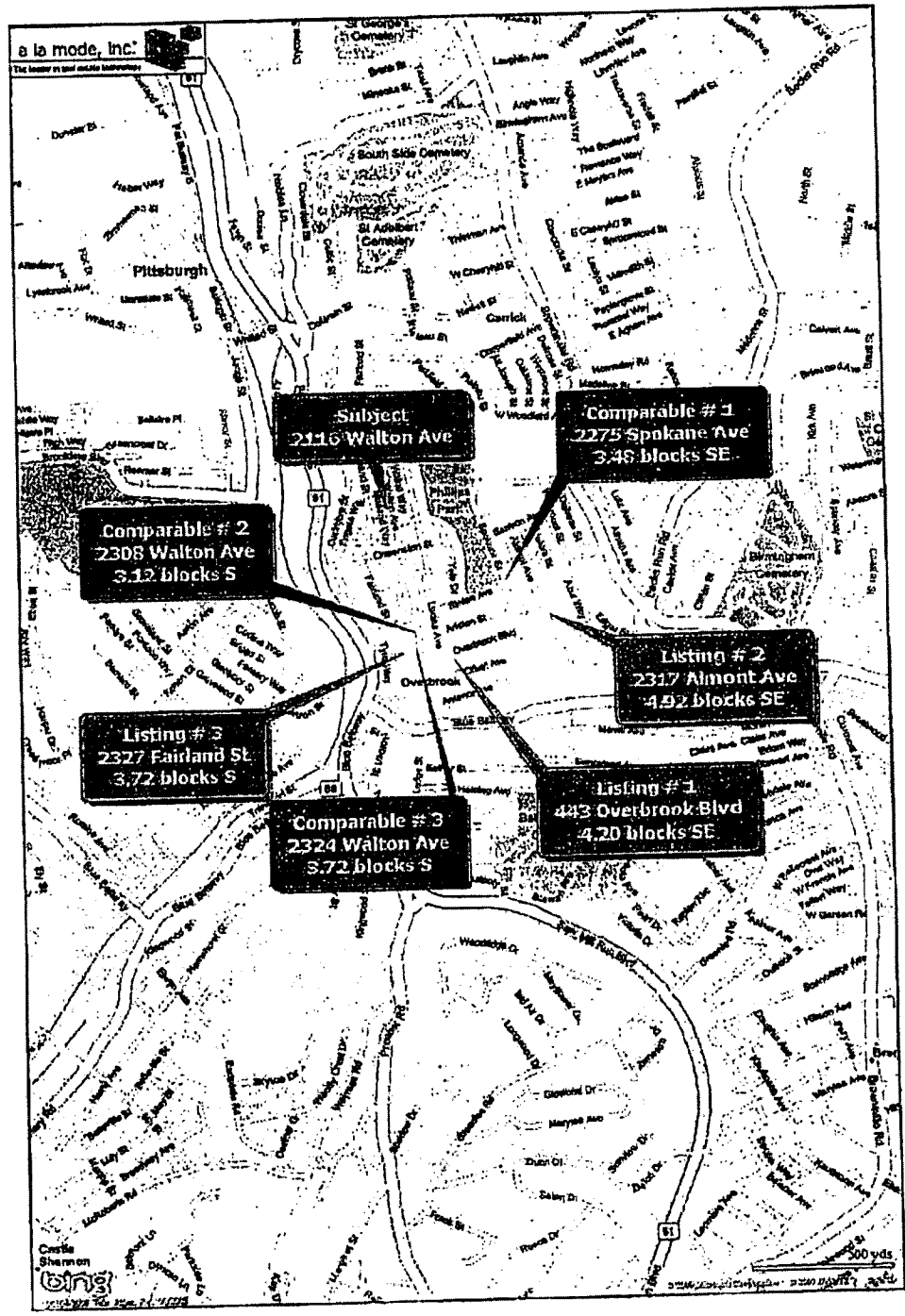
Comments:

Code	Description	Net Size	Net Totals
GLA1	First Floor	528.0	528.0
GLA2	Second Floor	528.0	528.0
W/P	W/P	154.0	
	Porch	66.0	220.0
Net LIVABLE Area		(Rounded)	1056

Breakdown	Subtotal
First Floor	528.0
22.0 x 24.0	
Second Floor	528.0
22.0 x 24.0	
2 Items	(Rounded) 1056

Location Map

Borrower/Client Any Qualified Veteran			
Property Address 2116 Walton Ave			
City Pittsburgh	County Allegheny	State PA	Zip Code 15210-4148
Lender Department of Veterans Affairs			



Comparable Photo Page

Borrower/Client	Any Qualified Veteran				
Property Address	2118 Walton Ave				
City	Pittsburgh	County	Allegheny	State	PA
Lender	Department of Veterans Affairs				
				Zip Code	15210-4148



Comparable 1

2275 Spokane Ave
 Prox. to Subject 3.48 blocks SE
 Sale Price 53,000
 Gross Living Area 1,000
 Total Rooms 6
 Total Bedrooms 2
 Total Bathrooms 2
 Location Average
 View Residential
 Site 26X100/Avg
 Quality Brick/Siding/Avg
 Age 84



Comparable 2

2308 Walton Ave
 Prox. to Subject 3.12 blocks S
 Sale Price 60,000
 Gross Living Area 950
 Total Rooms 5
 Total Bedrooms 2
 Total Bathrooms 1
 Location Average
 View Residential
 Site 25X100/Avg
 Quality Siding/Sup
 Age 81

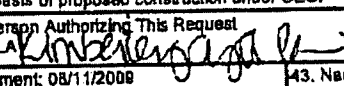


Comparable 3

2324 Walton Ave
 Prox. to Subject 3.72 blocks S
 Sale Price 48,000
 Gross Living Area 850
 Total Rooms 5
 Total Bedrooms 2
 Total Bathrooms 1
 Location Average
 View Residential
 Site 37X100/Avg
 Quality Brick/Siding/Avg
 Age 77

RESPONDENT BURDEN: We need this information to request an appraisal on the property for which VA guarantee of the loan is requested (38 U.S.C. 3701(b)). Title 38, United States Code, allows us to ask for this information. We estimate that you will need an average of 12 minutes to review the instructions, find the information, and complete this form. VA cannot conduct or sponsor a collection of information unless a valid OMB control number is displayed. You are not required to respond to a collection of information if this number is not displayed. Valid OMB numbers can be located on the OMB Internet Page at www.whitehouse.gov/omb/library/OMB/INVA_EPA.html#VA. If desired, you can call 1-800-827-1000 to get information on where to send comments or suggestions about this form. Your obligation to respond is required to obtain or retain this benefit.

OMB Approved No.:
2800-0045
Respondent Burden:
12 minutes

Department of Veterans Affairs		VA REQUEST FOR DETERMINATION OF REASONABLE VALUE (Real Estate)		1. Case Number - LGI 11-11-6-0247126
2. Property Address 2116 WALTON AVENUE MOUNT OLIVER, PA 15210 ALLEGHENY		3. Legal Description 2116 Walton Avenue		4. Title Limits & Restrictive Covenants
5. Name and Address of Firm or Person Making Request/Application (Include ZIP Code) PA HOUSING FINANCE AGENCY 211 NORTH FRONT STREET HARRISBURG, PA 17101 E-Mail: kayata@phfa.org		6. Lot Dimensions: 1. Irregular/Square Feet: 2. Acres:		7. Utilities
8. Building Status Existing		10. Building Type:	12A. No. of Bldgs:	13A. Street Access:
9. Building Status Existing		11. Factory Fabricated?	12B. No. of Living Units: 1	13B. Street Maint.:
14A. Construction Warranty Included?		14B. Name of Warranty Program:		
14C. Expiration Date:		15. Constr. Completed:		
16. Name of Owner: CARMEN A. MILLER 2116 WALTON AVENUE PITTSBURGH, PA 15210				17. Property:
18. Rent	19. Keys At: 211 N. FRONT ST, HBG, PA		20. Telephone No.: (717)780-1815	
21. Name of Broker:		22. Telephone No.:		
23. Date and Time Available for Inspection:			24. Mobile Home Liquidation? NO	
25. Originator's Ident. No.: 8070030000		26. Sponsor's Ident. No.:		27. Institution's Case No.: 831888
28. Contact Person: KIMBERLEY AYA A Work Phone: (717)780-1815 Home Phone: (717)780-1815		<p align="center">EQUAL OPPORTUNITY IN HOUSING</p> <p>NOTE: Federal laws and regulations prohibit discrimination because of race, color, religion, sex, or national origin in the sale or rental of residential property. Numerous State statutes and local ordinances also prohibit such discrimination. In addition, section 805 of the Civil Rights Act of 1968 prohibits discriminatory practices in connection with the financing of housing. If VA finds there is noncompliance with any antidiscrimination laws or regulations, it may discontinue business with the violator.</p>		
28. NEW OR PROPOSED CONSTRUCTION (Complete Items 28A through 28G for new or proposed construction cases only.)				
28A. Compliance Inspections Will Be or Were Made By:		28B. Plans		28C. Plans Previously Submitted Under Case No.
28D. Name and Address of Builder			28F. Name and Address of Warrantor	
28E. Telephone No.:			28G. Telephone No.:	
30. Comments on Special Assessments or Home Owner's Association Charges:				33. Leasehold Cases A. Lease is: B. Expires: C. Annual Ground Rent:
31. Annual Real Estate Taxes	32. Mineral Rights Reserved?			
34. Sale Price of Property	34A. Is Buyer Purchasing Lot Separately?	35. Refinancing-Amount of Proposed Loan:		36. Proposed Sale Contract Attached?
CERTIFICATIONS FOR SUBMISSIONS TO VA				
On receipt of "Certificate of Reasonable Value" or advice from the Department of Veteran's Affairs that a "Certificate of Reasonable Value" will not be issued, we agree to forward to the appraiser the approved fee which we are holding for this purpose. CERTIFICATION REQUIRED ON CONSTRUCTION UNDER FHA SUPERVISION I hereby certify that plans and specifications and related exhibits including acceptable FHA Change Orders, if any, supplied to VA in this case are identical to those approved by FHA, and that FHA inspections have been made pursuant to FHA approval for mortgage insurance on this basis of proposed construction under SEC.				
38. Signature of Person Authorizing This Request KIMBERLEY AYALA 			39. Title:	41. Date 08/11/2009
42. Date of Assignment: 08/11/2009			40. Telephone Number: (717)780-1815	
43. Name of Appraiser: (0078) HARRY J SMELTZER (O): (724)695-2007 E-Mail: hje21@comcast.net				
WARNING: Section 1010 of title 18, U.S.C. provides "Whoever for the purpose of ... including such Administration ... makes, passes, utters or publishes any statement knowing the same to be false ... shall be fined not more than \$5,000 or imprisoned not more than two years or both."				

VA FORM 26-1805-1
AUG 2007

LGI Case: 11-11-6-0247126

Date: 08/11/2009
Requester Data: Servicer: 6070030000
717-780-1815 - Ayaia

Case Description

Address: 2118 WALTON AVENUE
MOUNT OLIVER, PA 15210
County: ALLEGHENY
Owner: CARMEN A. MILLER
Sales Date: 10/05/2009

Appraiser Data

Appraisers Assigned: 1

0078 HARRY J. SMELTZER
Address: 707 LINDENWOOD DR
CDRAOPOLIS, PA 15108
Office Phone: (724)-695-2007
Cell Phone: (724)-494-3532
FAX: (724)-695-2007
E-Mail: hjs21@comcast.net

Inspector Data

Inspectors Assigned: 0

Return to: Assignment – Single Property

Exhibit "B"

631986
Miller

REO SERVICING, LTD

PROPERTY INSPECTION REPORT

ADDRESS: 2116 WAXTON

CUSTOMER: PHFA

An inspection was performed at this property on 13 OCT 09 at 10:57 AM PM:

Property listed for sale by: _____ Phone: _____

OCCUPANCY: Mortgagor Tenant Unknown Vacant 24 Hour posting Yes No

Utilities: GAS On Off Locked out Electric: On Off Water: On Off Well Yes No

Overall appearance of building: Excellent Good Fair Poor

Type of home: Ranch 1 Sty 1.5 Sty 2.5 Sty Wood Wood W/siding Brick Other

Foundation: Concrete block Sandstone Concrete

Is lawn being maintained: Yes No Grass height: _____

Any visible hazards or damage present: Yes No If yes explain: _____

Any visible postings on the property? If yes what are they: _____

COMMENTS: Property Secure OK

Complete only if previously winterized by another company....
Winterized stickers put on front door and interior of property? Yes No
Reasons for re-winterizing this property: _____ Water present in lines? Yes No
Antifreeze present? Yes No Water closets taped shut? Yes No HW Tank drained? Yes No

Services completed on this date:
Winterized? Yes No Lock Changed? Yes No Other: _____
Rekeyed to kwikset code number: _____ Lock box code: _____
Locks: Front: K D M R P Side: K D M R P Rear: K D M R P Other: K D M R P

Inspector: _____
Inspector's signature: *Muh* Date of inspection: 13 OCT 09

Exhibit "C"

Broker Price Opinion

PROPERTY ADDRESS:	2116 Walton Ave, Pittsburgh, PA 15210		
REO #:		BORROWER:	
Most Recent Listing History	From 2/10/2010	To 2/10/2010	Listed at \$24900

I. GENERAL MARKET CONDITIONS

Current market condition:	<input type="checkbox"/> Depressed	<input checked="" type="checkbox"/> Slow	<input type="checkbox"/> Stable	<input type="checkbox"/> Improving	<input type="checkbox"/> Excellent
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II. SUBJECT MARKETABILITY

Normal marketing time in the area is:	112	days.			
Marketability of subject property is	<input type="checkbox"/> excellent	<input type="checkbox"/> good	<input checked="" type="checkbox"/> fair	<input type="checkbox"/> poor.	
Unit Type:	<input checked="" type="checkbox"/> House	<input type="checkbox"/> Condo	<input type="checkbox"/> Townhouse	<input type="checkbox"/> Multi-family (#. of units)	<input type="checkbox"/> Modular

III. COMPETITIVE CONTRACT OFFERINGS OR LISTINGS

ITEM	SUBJECT			COMPARABLE NO. 1				COMPARABLE NO. 2				COMPARABLE NO. 3						
Address	2116 Walton Ave., Pittsburgh, PA 15210			1421 Nobles Lane, Pittsburgh, PA 15210				141 Linnview, Pittsburgh, PA 15210				2229 Lutz Ave, Pittsburgh, PA 15210						
Proximity to Subj.				.8 mile				.1 mile				.89 mile						
Current Price \$				12900				12000				19900						
List Date /DOM				10/24/10 - 6413				6/28/10 - 182				12/7/10 - 20						
Lot Size	3850sf			3786sf				4900sf				6435						
Room Count	Total	Bdms	Baths	Total	Bdms	Baths	Fair condition	Total	Bdms	Baths	Fair condition	Total	Bdms	Baths	Good condition			
Room Count	6	3	1	6	3	1	0	6	2	1	0	6	3	1	-10000			
Gross Living Area	1375 Sq. Ft.			1176 Sq. Ft.				800	1350 Sq. Ft.				0	1350 Sq. Ft.				0

COMMENTS: Please describe the condition of the comparables.	
COMP #1:	Similar condition and amenities with slightly less sq footage
COMP #2:	Similar condition sq footage and amenities
COMP #3:	Superior condition with a garage

IV. COMPETITIVE CLOSED SALES

ITEM	SUBJECT			COMPARABLE NO. 1				COMPARABLE NO. 2				COMPARABLE NO. 3						
Address	2116 Walton Ave, Pittsburgh, PA 15210			2549 Homehurst St., Pittsburgh, PA 15234				2216 Lutz Ave., Pittsburgh, PA 15210				2012 Dellrose, Pittsburgh, PA 15210						
Proximity to Subj.				1 mile				.85 mile				.85 mile						
Sales Price \$				15000				25000				35000						
Date of Sale /DOM				7/26/10 - 151				8/26/10 - 101				12/15/10 - 128						
Lot Size	3850sf			3250 sf				3510 sf				2760 sf						
Room Count	Total	Bdms	Baths	Total	Bdms	Baths	Poor condition	Total	Bdms	Baths	Fair condition	Total	Bdms	Baths	Good condition			
Room Count	6	3	1	6	3	1	10000	6	3	1	0	6	3	2	-11000			
Gross Living Area	1375 Sq. Ft.			1560 Sq. Ft.				-800	1178 Sq. Ft.				800	1375 Sq. Ft.				0

COMMENTS: Please describe the condition of the comparables.	
COMP #1:	Inferior condition with more sq footage and similar amenities
COMP #2:	Similar condition and amenities with slightly less sq footage
COMP #3:	Superior condition with 2 nd full bath and 2 car detached garage

V. ESTIMATED CLOSING COSTS / REPAIRS NOTED

Gross Estimated Closing Costs	0
Gross Amount of Repairs Needed	\$7000
List of Repairs (if necessary)	Replace plumbing and repair damaged walls and kitchen cuberts
Continued.....	When all the copper plumbing was removed from the subject, damage was done some walls and ceilings. The kitchen sink area was removed and must be reinstalled.

VI. THE MARKET VALUE must fall within the indicated value of the sales used above.

THE VALUE FOR THE SUBJECT PROPERTY BASED ON 120 DAYS LIST TO CONTRACT IS:

	Market Value	Suggested List Price	Available Financing	Broker Recommends Marketing Either
As Is	\$ 25000	\$ 28000	Conv <input type="checkbox"/> FHA/VA <input type="checkbox"/> Other <input type="checkbox"/>	As Is <input checked="" type="checkbox"/> OR
Complete Repairs	\$ 35000	\$ 38500	Estimate of Repairs: \$70000	Repairs <input type="checkbox"/>

COMMENTS including specific positive on this property and special concerns, if any, like apparent structural issues, encroachments, easements, water rights, propane, hazardous waste, flood zone, etc.) Attach addendum if additional space is needed.

The subject appears to be in fair condition, for this neighborhood, from an interior inspection.

Information was obtained from county tax records and MLS. Within 1 mile of the subject, over the last 6 months, a total of 43 residential properties sold.. Within the same criteria, there is currently 52 properties for sale. Of the 52, 8 are comparable to the subject and listed from \$20,000 to \$31,500 The price range of sales was \$6,000 to \$99,500. The median sales price was \$31,500 and the average sale price to list price ratio was 85%.

Richard Creo

 Agent's Signature

12/27/10

 Date

Exhibit "D"

**2116 Walton Avenue
Mt. Oliver, Allegheny County, PA 15210**

ESTIMATE OF REPAIRS

Repaint interior	\$ 5,000.00
Pull carpet and sand/finish floors	2,800.00
Restore handrail	200.00
Finish Kitchen –	
- replace counters	
- refinish cabinets	
- paint	
	1,500.00
Replace appliances	1,000.00
Spiral staircase	1,000.00
Bath downstairs	5,000.00
Electric rewire	<u>2,000.00</u>
Total estimate of repairs:	<u>\$18,500.00</u>

Exhibit "E"



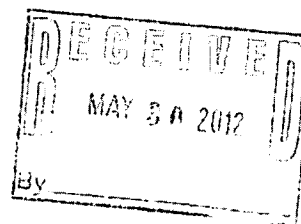
U.S. Department of Veterans Affairs
Office of Regional Counsel
Region 4

James C. Sinwell, Esq.
Assistant Regional Counsel
Direct Dial (412) 954-5174

VA Pittsburgh Healthcare System
7180 Highland Drive
Pittsburgh, PA 15206-1297

May 24, 2012

Louis Vitti
215 Fourth Avenue
Pittsburgh, PA 15222



Re: Administrative Claim
VITTI, Louis
Our File No. RC4-46262

Dear Mr. Vitti:

We have concluded our investigation of the administrative tort claim you filed, alleging the Department of Veterans Affairs was liable for the damage to a home that occurred while the property was in VA's possession prior to reconveyance to you due to insufficient title. Our investigation of the circumstances of these claims did not reveal evidence of any negligent or wrongful act or omission of any employee of the federal government acting within the scope of his office or employment resulting in harm to your client. For this reason we are denying your claim.

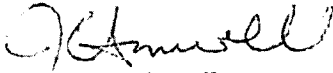
If you are dissatisfied with our decision, you may file a request for reconsideration of this claim with the VA General Counsel by any of the following means: (1) you may mail your request to the Department of Veterans Affairs, General Counsel (021B), 810 Vermont Avenue, N.W., Washington, DC 20420; (2) you may file your request by data facsimile (fax) to (202) 273-6385; or you may e-mail your request to OGC.torts@mail.va.gov. In order to be timely filed, the VA must receive this request prior to the expiration of six months from the date of the mailing of this final denial. Upon filing such a request for reconsideration, the VA shall have 6 months from the date of that filing in which to make a final disposition of this claim, and your option to file suit in an appropriate U.S. District Court under 28 U.S.C. §2675(a) shall not accrue until 6 months after the filing of such requests for reconsideration (28 C.F.R. §14.9). Please note that a request for reconsideration is considered to be "filed" on the date received by the General Counsel not the date mailed.

In the alternative, your attention is invited to the provisions of the Federal Tort Claims Act (28 U.S.C. §1346(b) and §2675), which provide that a tort claim, which is administratively denied, may be presented to a U.S. district court for judicial consideration. Such suit must be initiated within six (6) months after the date of mailing of this notice of final denial (28 U.S.C. §2401).

Please note that FTCA claims are governed by a combination of Federal and state laws. Some state laws may limit or bar a claim or law suit. VA attorneys handling FTCA claims work for the Federal government, and cannot provide advice regarding the impact of state laws or state filing requirements.

If you decide to initiate a suit against the Department of Veterans Affairs, you are advised that the proper defendant is the United States of America (28 U.S.C. §1346(b) and §2671, et. seq.) Should you have any questions for our office, please contact Lisa Wolfe at (412) 954-5180.

Sincerely,



James C. Sinwell
Assistant Regional Counsel

