VA Lenders Handbook (VA Pamphlet 26-7), Chapter 10, Topic 19 — Special Exception for a Veteran Purchasing a New

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> 19. Special Exception for a Veteran Purchasing a New Construction Property Without a Warranty Change Date March 11, 2019 • This chapter has been revised in its entirety. a. Special Exception for a Property Without a Warranty An exception may be made for a Veteran who wishes to purchase a new home from a builder who is not more than occasionally involved with VA financing and will not provide either a 1-year VA builder’s warranty or a 10-year insured protection plan. In that situation, all of the following will be required: • The Veteran purchaser’s written acknowledgment that, “I am aware that this property does not qualify for VA assistance with construction complaints, since it was not inspected by VA during construction. I am also aware that this new property will not be covered by either a 1-year VA builder’s warranty or a 10-year insured protection plan, as is normally required in this situation.” • The builder’s written certification that, “This company is not more than occasionally involved with VA financing and is aware that this property is being accepted without any VA-required warranty on an exception basis, and only upon the request of the Veteran purchaser. The dwelling was constructed according to standard building practices and is in conformity with all applicable building codes. • The lender obtains a copy of documentation issued by the local building authority to verify that construction was acceptably completed, such as a final inspection or certificate of occupancy. Where local authorities do not perform building inspections, the Veteran and builder must certify in writing that “The dwelling was not inspected during construction by any state, county, or local jurisdiction.” b. Builder ID Number The builder must have a VA-issued builder ID number as the exception only applies to the warranty requirement. VA Pamphlet 26-7, Revised Chapter 10: Appraisal Process 10-31

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