VA Lenders Handbook (VA Pamphlet 26-7), Chapter 12, Topic 7 — Geological or Soil Instability, Subsidence, and Sinkholes

Register va-m26-7-ch12-t07

VA Lenders Handbook (VA Pamphlet 26-7), Chapter 12, Topic 7 — Geological or Soil Instability, Subsidence, and Sinkholes.

1 verbatim provision(s). Each quote is a verified substring of the regulator-published source snapshot, not retyped.

VA Lenders Handbook (VA Pamphlet 26-7), Chapter 12, Topic 7 — Geological or Soil Instability, Subsidence, and Sinkholes

> 7. Geological or Soil Instability, Subsidence, and Sinkholes Change Date October 18, 2019 • This chapter has been revised in its entirety. a. Soil Conditions The appraiser must report any readily observable soil conditions of the site, and other physical features that affect the value of the site. The appraiser should also consider any published reports regarding the instability of the soil and surface support of the land concerning the subject and nearby properties. The appraiser must consider any effect on the estimated market value of the property. b. Subsidence Subsidence may be encountered where homes are constructed on uncontrolled fill or unsuitable soil, in locations near mining activity or extraction of subsurface minerals (to include fracking), or where the subsoil or subsurface is unstable and subject to slippage or expansion. Signs of subsidence may include cracks in the terrain, sinkholes, foundation damage or settlement problems. c. Dangerous Subsidence or Sinkholes The appraiser must report any probable or imminent danger of subsidence or sinkholes. Depending on the extent of the problem, it could be considered a hazard (see Topic 20 of this Chapter) which would make the property ineligible. The appraiser must notify the lender promptly when a hazardous condition is found. d. Repairs by Contractor If a settlement problem that does not have the severity of a hazard is apparent, the appraisal must be prepared "subject to repair" by a licensed contractor (for example, step-cracks in an exterior wall, or cracked flooring with significant vertical displacement). e. Hairline Cracks Minor hairline cracks due to expansion or normal settlement that are common in the market area do not typically require repair. Continued on next page VA Pamphlet 26-7, Revised Chapter 12: Minimum Property Requirements 12-12 7. Geological or Soil Instability, Subsidence, and Sinkholes, continued f. New or Proposed Property For new or proposed construction properties, in areas that have a history of geological or soil instability, the builder must submit either: • a certification that to the best of the builder's knowledge and belief, any geological or soil-related hazard has been compensated for in the engineering design of the improvements and no portion of the construction will rest on fill, or • evidence from a qualified geologist or engineer that the subject site either does not present unusual geological soils-related hazards or such hazards have been compensated for in the engineering design of the improvements. (Qualified geologists are state licensed or are a member of a national or state organization which requires responsibility, experience, education and demonstrated ability in the field of engineering geology.) VA Pamphlet 26-7, Revised Chapter 12: Minimum Property Requirements 12-13

Source: VA Lenders Handbook (VA Pamphlet 26-7), Chapter 12, Topic 7 — Geological or Soil Instability, Subsidence, and Sinkholes · snapshot 824171a914866a59