VA Lenders Handbook (VA Pamphlet 26-7), Chapter 12, Topic 44 — Requests for Waiver of MPR Repairs

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44. Requests for Waiver of MPR Repairs Change Date March 28, 2019 • This chapter has been revised in its entirety. a. Waiver Requested by a Veteran After the NOV has been issued, at the request of the Veteran, VA will consider waiving MPR repairs if the following conditions are met: • the request is signed by the Veteran, • the lender concurs with the Veteran's request, and • the property is habitable from the standpoint of safety, structural soundness, and sanitation. These requests should not allow for the Veteran to waive MPRs that could result in safety issues with the home. b. Inspection Report In support of the waiver request, while not required, providing an inspection report from a licensed professional who is qualified to assess the condition of the item in question will ensure the Veteran is fully informed about the condition of the item. c. Contributory Value If the request is approved, VA staff will amend the NOV, removing the repair requirement(s). Since appraisals are prepared "subject to" repairs, VA staff may reduce the value by the contributory value of the waived repair(s). If the contributory value of the repair item(s) is not material, the NOV may be issued without a change in value. d. Materials Shortage Following a Natural Disaster Following a natural disaster, shortages of materials could delay the completion of repairs. The RLC of jurisdiction should be contacted for consideration of repair waivers on a case-by-case basis when a Veteran wishes to proceed with purchasing or refinancing a home in need of repairs when needed materials are not readily available. e. Escrowed Funds for Completion of Repairs Depending on the nature of required repairs, it may be advantageous for the Veteran to have the MPR repairs completed after closing on the loan. Lenders may hold funds in escrow for repairs to be completed after closing, however all repairs must be completed and escrowed funds distributed before the loan may be guaranteed by VA.

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