VA Lenders Handbook (VA Pamphlet 26-7), Chapter 13, Topic 16 — Other Conditions

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16. Other Conditions Any additional requirements should be listed in Item 16, for example, an unvented space heater (see Chapter 12, Topic 24 of this handbook), an airport safety zone (see Chapter 12, Topic 41 of this handbook), requirements for cisterns (see Chapter 12, Topic 17 of this handbook), stationary storage tanks containing flammable material (see Chapter 12, Topic 37 of this handbook), or any local requirements (see Chapter 12, Topic 1, Item h of this Handbook). VA Pamphlet 26-7, Revised Chapter 13: Notices of Value 13-16 Appendix A. Notice of Value Sample Letter Change Date July 22, 2019 • This chapter has been revised in its entirety. [Reminder: The NOV must be mailed or emailed to the Veteran on the date issued.] [on lender's letterhead] LENDER'S NOTICE OF VALUE [date NOV issued] [Veteran's name] LENDER LOAN #: [Veteran's current address] VA CASE #: [Veteran's city, state, zip code] APPRAISAL REVIEWER: [SAR name, SAR id #] PROPERTY ADDRESS: [complete address] Dear [Mr. or Ms.] [Veteran's last name]: The above property has been appraised by a fee appraiser assigned by the VA Regional Loan Center in [RLC City and State]. On [date NOV issued], the VA-authorized appraisal reviewer personally reviewed the fee appraiser's report and determined the property's estimated reasonable value to be $[value]. The maximum repayment period for a loan secured by this property is [30 years or estimated remaining economic life on appraisal, whichever is less]. The VA appraisal was made to determine the reasonable value of the property for loan purposes. The appraisal must not be considered a building inspection. Neither VA nor the lender can guarantee that the home will be satisfactory to you in all respects or that all equipment will operate properly. A thorough inspection of the property by you or a reputable inspection firm may help minimize any problems that could arise after loan closing. In an existing home, particular attention should be given to plumbing, heating, electrical and roofing components. VA recommends testing for radon, which the government has determined can cause lung cancer. REMEMBER: VA GUARANTEES THE LOAN, NOT THE CONDITION OF THE PROPERTY Continued on next page VA Pamphlet 26-7, Revised Chapter 13: Notices of Value 13-17 Appendix A, continued The following marked conditions apply to this property: 1. ENERGY CONSERVATION. ( ) a. Existing property. You may wish to contact a qualified person/firm for a home energy audit to identify needed energy efficiency improvements to the property. In some localities, the utility company may perform this service. The mortgage amount may be increased as a result of making energy efficiency improvements such as: Solar or conventional heating/cooling systems, water heaters, insulation, weather-stripping/caulking, and storm windows/doors. Other energy related improvements may also be considered. ( ) b. New or proposed construction property. Builder's certification that this new dwelling was constructed to meet the energy conservation standards of the International Residential Code (IRC). 2. WOOD-DESTROYING INSECT INFORMATION. ( ) a. Inspection Report (Existing or New Construction). The property must be inspected by a qualified pest control operator using Form NPMA-33, or other VA-approved collection method. Any reported infestation or structural damage affecting the value of the property must be corrected to VA's satisfaction prior

to loan settlement. You must acknowledge receipt of a copy of the inspection report in the space provided on the form. ( ) b. Soil Treatment Guarantee (Proposed Construction). Properly completed NPMA-99a and NPMA- 99b forms are required. The lender will provide you with a copy of these forms. 3. LIEN-SUPPORTED ASSESSMENT. ( ) a. Homeowner Association Fee. Estimated fee of $[0.00] per [period of time]. ( ) b. Other (Special Assessments, Assessments by local taxing authorities) 4. ( ) CONDOMINIUM. Evidence that the condominium project meets VA requirements. 5. ( ) PRIVATE ROAD/SHARED DRIVEWAY. Evidence that use of the private road/shared driveway is protected by a recorded permanent easement or recorded right-of-way from the property to a public road, and that a provision exists for its continued maintenance. Continued on next page VA Pamphlet 26-7, Revised Chapter 13: Notices of Value 13-18 Appendix A, continued 6. ( ) FLOOD INSURANCE. If improvements on this property are located in a FEMA Special Flood Hazard Area, flood insurance is required. The lender must verify flood zone information provided on an appraisal report. 7. WATER/SEWAGE SYSTEM ACCEPTABILITY. Evidence from the local health authority or other source authorized by VA that the individual ( ) water supply, and/or ( ) sewage disposal system(s) is/are acceptable. 8. CONNECTION TO ( ) PUBLIC WATER and/or ( ) PUBLIC SEWER. Required only when connection is mandated by a local authority. 9. ( ) REPAIRS. The ( ) lender ( ) fee appraiser (_________[insert name]__________) is to certify that the following repairs have been satisfactorily completed. ____ ____ ____ ____ ____ Important – please see the above second paragraph about your responsibility concerning the condition of the property. 10. ( ) POST CONSTRUCTION INSPECTION. The fee appraiser (_________[insert name]__________) must visit the property and certify that construction substantially complies with the certified construction exhibits on which the appraisal was based, or that the construction is in accordance with the model home and related information on which the appraisal was based, and that improvements comply with any conditions in the sales contract. 11. NEW CONSTRUCTION INSPECTIONS/WARRANTY. ( ) a. Provide copy of the Certificate of Occupancy (CO), or equivalent document, issued by a local building authority. or ( ) b. The local authority does not perform construction inspections. The lender is to certify that the property is complete (both on-site and off-site improvements) and that it meets VA MPRs for existing construction. The lender must obtain the Veteran’s written acknowledgement that the property was not inspected during construction. Continued on next page VA Pamphlet 26-7, Revised Chapter 13: Notices of Value 13-19 Appendix A, continued ( ) c. The builder must provide a 1-year VA builder’s warranty completed on VA Form 26-1859, Warranty of Completion of Construction. VA will provide assistance with construction complaints limited to defects in equipment, material, and workmanship reported during the 1-year builder's warranty period. or ( ) d. Provide evidence of enrollment in a 10-year insurance backed protection plan. VA will not assist with any construction complaints. 12. PROPOSED CONSTRUCTION INSPECTIONS/WARRANTY. ( ) a. Provide a copy of the Certificate of Occupancy (CO), or equivalent document, issued by the local building authority. The builder must provide a 1-year VA builder’s warranty completed on VA Form 26-1859, Warranty of Completion of Construction. VA will provide assistance with construction complaints limited to defects in equipment, material and workmanship reported during the one-year builder's warranty period. or ( ) b. The local authority does not perform construction inspections, therefore the property must be covered by both a 10-year insurance backed protection plan and a 1-year VA builder's warranty on VA Form 26-1859, Warranty of Completion of Construction. The lender is to certify that the property is complete (both on-site and off-site improvements) and that it meets VA MPRs for existing construction. VA will provide assistance with construction complaints limited to defects in equipment, material, and workmanship reported during the 1-year builder's warranty period only. The lender must obtain the Veteran's written acknowledgement that the property was not inspected during construction. 13. NEW OR PROPOSED MANUFACTURED HOME. ( ) a. Provide a copy of the Certificate of Occupancy (CO), or equivalent document, issued by the local building authority. Provide the warranty on VA Form 26-8599, Manufactured Home Warranty, and a 1-year VA builder's warranty on VA Form 26-1859, Warranty of Completion of Construction. VA will provide assistance with construction complaints limited to defects in equipment, material and workmanship reported during the one-year builder's warranty period. or ( ) b. The local authority does not perform construction inspections. The lender must provide evidence that the manufactured home has been installed on a permanent foundation. Provide warranty on VA Form 26-8599, Manufactured Home Warranty, and a 1-year VA builder's warranty on VA Form 26- 1859, Warranty of Completion of Construction. VA will provide assistance with construction complaints limited to defects in equipment, material, and workmanship reported during the 1-year builder's warranty period. The lender must obtain the Veteran's written acknowledgement that the property was not inspected during the construction of the manufactured home foundation. Continued on next page VA Pamphlet 26-7, Revised Chapter 13: Notices of Value 13-20 Appendix A, continued 14. ( ) LEAD/WATER DISTRIBUTION SYSTEM. The builder's certification which identifies this dwelling and states that the solders and flux used in construction did not contain more than 0.2 percent lead and that the pipes and pipe fittings used did not contain more than 8.0 percent lead. 15. ( ) RADON GAS. Builder to certify that radon resistant construction techniques were used and construction meets local building codes and state regulations for radon control, where applicable. In the absence of any building codes, certification will be based upon IRC requirements. 16. OTHER CONDITIONS

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______________________________ Expiration Date: (six months from date of appraisal). Sincerely, (WebLGY will automatically enter the name of the individual who logged into WebLGY with a password and issue the NOV).

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