

# Overview & Checklist - VA Minimum Property Requirements (MPRs)

(NOTICE: The list below was compiled & abridged from the VA Guide , which covers the minimum property criteria for VA purchases. This document contains paraphrasing, interpretation & plain English descriptions & does not claim to be the entire original document from the VA.) (NOTICE: This document contains paraphrasing, interpretation & plain English descriptions & does not claim to be the entire original document from USDA/HUD/RD. Compiled by Home Inspection Solutions Missoula MT., 2016)

## Here are the types of things that may be noted in an inspection report:

1. **Safety Hazards** : Safety Hazards are listed in their own category & are considered serious defects even if they are easily corrected.

The inspector shall identify health, safety concerns. The property must be free of hazards which may adversely affect the health and safety of the occupants or the structural soundness of the improvements or which may impair the customary use and enjoyment of the property by the occupants (HUD 4905.1, 2-13) .

2. **Required Repairs**: Major maintenance items & items not working are labeled as being required to be repaired or replaced. This also includes items that if not corrected would devalue, contribute to the escalation of decay, or reduce the full enjoyment and usefulness of the property. In our report these may be labeled Major, Moderate or Minor concerns depending on the seriousness of the defect & the difficulty of correcting them. For example : Downspouts that are missing may be labeled as Minor because they are very easy to fix but in need of correction because if neglected, can cause water damage to the structure.

3. **Recommended Repairs**: These items are minor in nature and their lack of repair will not contribute to the deterioration or usefulness of the property. In our report they may be labeled as “**Minor**” or they may be listed as “**Cosmetic Defects**” or “**Observations**”. These items will be identified so as to inform the lender and the applicant of the recommended repairs. In some cases loan funds may be used for financing these repairs.

4. **Repair Standards**: If replacement or initial installation of an item is required, work must be in compliance with the 2000 International Residential Code and 1999 National Electric Code and local municipal codes and ordinances. If more than one provision is applicable in any given situation, the more restrictive requirement shall apply.



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# Definitions used in our reports:

Each item has been assigned a quality rating based on the observations recorded by the inspector. The quality ratings are automatically assigned based on the observations made.



**Not working** Was not working or was abandoned at the time of the inspection.



**Satisfactory** No material issues have been observed. One or more cosmetic issues may exist.



**Marginal** The item is working, but has at least one concern that is beyond cosmetic.



**Safety Hazard** Has conditions that make operation of the item unsafe and is in need of Immediate Correction.



**Poor** Is operating, but has at least one major material defect concern with its operation.



**Not Inspected** Was not inspected. The reason is typically indicated.

## OVER VIEW OF VA PROPERTY REQUIREMENTS

These MPRs provide VA loan borrower with a good foundation of what red flags to look for when home shopping. It's not easy to find homes void of some bumps and bruises. Nevertheless, the fewer VA property requirement red flags you see in a property, the better. If you fall in love with a house that has property requirement issues, ***you may be able to obtain exemptions or either have the seller pay to make repairs or pay for them yourself in some cases.*** Talk with a lender for more information.

**Properties that fail to meet VA MPR's are unacceptable as the security for a VA loan.**

(Source - <http://www.valoans.com/eligibility/va-property-requirements> )

### About VA Loan Eligibility

Veterans and service members seeking a VA home loan should know that properties must meet the Department of Veterans Affairs' Minimum Property Requirements (MPRs) in order to satisfy both the VA and lenders. The VA put MPRs in place to try and help safeguard borrowers from purchasing properties that are not safe, sound or sanitary.

An [independent VA appraiser](#) will assess the property and point out MPR needs. This is not to be confused with a home inspection, which isn't required but almost always a good investment. It's also important to note that the VA doesn't guarantee a home is free of problems or defects.

Still, it benefits prospective VA loan borrowers to be familiar with MPRs. This way, during your home shopping experience you and your real estate agent can spot potential problems for further discussion.

Take a look at some of the broad, general MPR considerations below, but note that the list is not exhaustive. Local codes and requirements will often come into play.

**For service eligibility questions See - <http://www.valoans.com/eligibility>**

# **Basic Overview Of Property Requirements for VA Home Loans**

**Property Constraints and Perspective:** VA has no specific property constraints regarding dwelling size, room counts, quality of construction or repair of specific code violations.

## **Residential Property**

VA loans seldom get used for nonresidential or business property purchases, as the VA designed the home loan program to increase homeownership among service members and veterans. So the MPRs dictate that the financed property is primarily if not exclusively for residential living. Living Space

This condition requires VA-loan financed residence to allow the borrower—and his or her family—enough space to live, cook and sleep.

## **Water and Sanitation**

To pass the VA appraisal, properties need clean drinking water, a water heater and working sewage systems, Properties with public water and sewage lines likely don't need additional testing of the water, but homes with private wells will need to show evidence of safe water.

## **Heating System**

With the exception of properties in certain warm climates, the VA property requirements state that homes must have a heating system capable of warming the interior to at least 50 degrees Fahrenheit. Solar systems and wood-burning stoves count as primary heat systems, but a backup heat source will be necessary.

## **Mechanical Infrastructure**

Heating, cooling, electric, water and other mechanical systems must be in working order, and stay that way for the foreseeable future. A major MPR is that the property must have functioning electricity.

## **Architectural Infrastructure**

Roofs must be in good condition and offer “reasonable future utility,” which is a vague description. Lenders will often list a minimum amount of time, in years, they'll want the roof to last.

Crawl spaces and basements with water or water damage will need repairs. Attics and crawl spaces require proper ventilation to prevent future damage from moisture and mold. The property's foundation must be stable and leak-free.

## **Property Accessibility**

VA-loan financed properties must be accessible from the street via an all-weather driveway or permanent easement. The latter simply allows homeowners to cross through another landowner's property to get to his or her home. Shared or private driveways may require legal agreements concerning use and upkeep.

## **Pest Inspection**

The VA doesn't want borrowers buying homes [riddled with termites](#), carpenter ants, or subsequent damage (e.g. dry rot). The cost of a pest inspection is almost always paid for by the seller -- that's not a requirement, but what is required is that the VA buyer cannot pay this fee.

## **THE VA CHECKLIST Minimum Property Requirements (MPRs)**

### **Property Access:**

1. Access to the Site - Each property must have access from a public or private street. The street must have an all-weather surface.
2. Private streets must be protected by permanent easement and maintained by an HOA
3. or joint maintenance agreement.
4. Access to the Unit and Rear Yard.- The unit must have access without passing through another unit. Each living unit must be able to be used and maintained individually without trespassing upon adjoining properties. Required easements must run with the land. Rear yard must have access without passing through any other living unit. For a row-type dwelling, the access may be by means of alley, easement, passage through the dwelling, or other acceptable means.

### **Access for Wall Maintenance :**

1. There must be adequate space between buildings to permit maintenance of the exterior walls.
2. **Property Characteristics Entity :**
3. The property must be a single, readily marketable real estate entity.

### **Property Use:**

1. The use of unit must be primarily residential. If a portion of the property has non-residential use, it must not impair the residential character of the property or exceed 25% of the total gross floor area. You should provide notation of total square feet of commercial use and total square feet of residential use.

### **Living Area and Facilities:**

1. Each unit must have sanitary facilities and enough space to assure suitable living, sleeping, cooking and dining..
2. Laundry, storage, heating and other facilities may be shared in 2-4 unit buildings.

### **Utilities :**

1. Utilities (water, sewer, gas, electricity) must be independent for each unit. Several
2. units under one ownership may share utilities if there are separate shut-offs.
3. Individual utilities must not cross another unit unless there is permanent legal right of
4. access for repair and maintenance.
5. Units under separate ownership may share common utilities (such as shared well)
6. provided that the connections are protected by easement or covenant and (that) there is an acceptable maintenance agreement.

### **Mechanical Systems :**

1. Mechanical systems (Building Envelope, HVAC, Plumbing & Electric) must be safe to operate, be protected from destructive elements, be of adequate capacity and quality, and have reasonable future utility.

**Heat :**

1. Heat must be adequate for healthful and comfortable living conditions. If wood burning stove is primary heat source then there must also be a conventional system that will maintain at least a 50 degree temperature in the plumbing areas.
2. If Solar system is primary heat/hot water source then there must be a “backup” system which will provide equivalent (100%) utility.
3. **Unvented space heaters or fireplace :**
4. Provide detailed comments on Unvented Space Heaters that use liquid or gaseous fuel, or any Unvented Fireplace. There are additional requirements (not part of the appraisal) that must be added to the Value Notice by VA or the LAPP Lender.

**Electricity :**

1. Each unit must have adequate electricity for lighting and necessary equipment.
2. **Water and Wells :**
3. Each unit must have a continuing supply of potable (drinkable) water , along with domestic hot water. Connection to public water is required whenever feasible.
4. Water quality from an individual water supply must meet the requirements of the local health authority. If no local health authority then EPA guidelines apply. Water must be potable from the source, independent of any individual treatment system.
5. A shared well must be capable of producing adequate water for each property simultaneously. Homes with a well instead of a community or public water system may require a water quality analysis to ensure that the water is safe to drink. Keep in mind, lenders may have varying requirements.
6. There must be a permanent easement to allow access for maintenance
7. and repair.
8. There must be a recorded well-sharing agreement which provides for repair and
9. maintenance of the system.
10. A Community Well must be sufficient for the project and water quality must be approved by local or State Health Officials.
11. Health department approved cisterns will be accepted when public water is not available and when safe, potable water cannot be obtained from drilled wells.

**Sanitary Facilities, Sewage and Septic :**

1. Each unit must have sanitary facilities and a safe method of sewage disposal.
2. Connection to public sewer is required whenever feasible.
3. Individual and Community sewage disposal systems must operate properly. Pit privies are permitted where they are customary and
4. are the only feasible means of disposal. They must be installed in a manner recommended by the local health authority. If there are no
5. local health authority requirements then U.S. Public Health Service requirements apply.
- 6.

**Roof :**

1. The roof must prevent the entrance of moisture and have at least five years
2. remaining useful life.
3. All old shingles must be removed if a defective roof has three or more layers.

**Ventilation:**

1. There must be sufficient natural ventilation in areas such as attics and crawl
2. spaces to minimize the effects of excess heat and moisture.

**Crawl Space:**

1. The crawl space must have adequate access, be properly vented and clear
2. of all debris. Excessive dampness or ponding of water must be corrected.
3. Floor joists must be high enough to allow access for maintenance and repairs of ductwork and plumbing.

**Party Walls:**

1. A party wall constructed at the property line must extend the full height of the
2. building (foundation to roof ridge). The wall may separate semi-detached or row units.

**The following will be considered Defective Condition Site:**

1. The site must be properly graded to provide positive drainage (away from the
2. dwelling), and to prevent water from ponding. Ground cover must be stabilized to prevent erosion. **(Absence of properly sloped grade is considered a defect)**

**Improvements :**

1. Any condition impairing the safety, sanitation or structural soundness of the
2. property must be corrected so that the probability of further damage is eliminated.
3. Some of these conditions include defective construction, poor workmanship, excessive dampness, leakage, decay, evidence of continuing settlement, and termites.
4. Specific examples of common problems that should be corrected include: rotted exterior wood trim, peeling paint, roof leaks, broken windows, plumbing leaks and exposed electric wiring. Other examples include damage caused by infestation, fungus growth or dry rot.

**Lead-Based and Defective Paint must be corrected.:**

1. Defective paint (cracking, scaling, peeling, chipping or loose) on homes built prior to 1978 will be considered lead based and must be corrected.
2. Defective paint on homes built after 1978 should be corrected only if it poses a threat to the security of the of the improvements.

**Other Hazards That Must Be Corrected -****Onsite :**

1. The property must be free of hazards (such as subsidence or flood or erosion problems) which may adversely affect the health and safety of the occupants, the structural soundness of the improvements, or which may impair the customary use and enjoyment of the property by the occupants. Steps, stairs & graspable railings must be in good repair.
2. **Pests & Vermin** – The dwelling should be free of active infestations & damage from past infestation should be repaired. **MONTANA** - Wood-destroying insect inspection is not generally required. For info. go to [Denver Regional VA Loan Center](#)

**Offsite :**

1. **High Voltage Electric Transmission Lines and Gas and Petroleum Pipelines:**
2. The dwelling structure must be located outside of the easement area(s).
3. Other on site improvements can be located in the easement area(s). If a Proposed Construction Dwelling is located outside the Pipeline easement but less than 220 yards away from the centerline, additional conditions apply.
4. ( Reference: [http://www.benefits.va.gov/roanoke/RLC/forms/CI\\_Guide\\_2005.pdf](http://www.benefits.va.gov/roanoke/RLC/forms/CI_Guide_2005.pdf) ) pg6

## Overview of the VA Loan Program

[VA Loan Eligibility](#)

[Certificate of Eligibility](#)

[VA Loans and Co-Signers](#)

[VA Loans and Credit](#)

[Debt to Income Ratio](#)

[VA Loan Entitlement](#)

[VA Loan Occupancy Requirements](#)

[Minimum Property Requirements](#)

**Related Article:** [Buying a Home with a VA Loan](#)

(Above list source <http://www.valoans.com> )

For Montana :

VA Regional Loan Center

155 Van Gordon Street

Lakewood, CO 80228

(Mail: Box 25126, Denver, CO 80225)

**Source -** <http://www.vba.va.gov/ro/denver/loan/lgy.htm>

### Our Disclaimers:

a. **Checklist Limitations:** This checklist is not inclusive of all the inspection/ appraisal criteria that is required and only refers to specific information that applies to the VA or FHA/ HUD at the time of its publication. This check list may not contain recent changes made by the VA or HUD/FHA.

b. **Conflicting Requirements:** If more than one code requirement is applicable in any given situation, the more stringent requirement shall apply.

c. **Interpretation :** This list is an abridged interpretation & is compiled in good faith as an overview for convenience & is not a replacement to the official VA, FHA or HUD list of requirements. If you have questions or concerns please contact your local office.

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