

# **EXHIBIT A**

## **TO INFORMATION LETTER 26-00-14, April 25, 2000**

### **1. PROPERTY INSPECTIONS**

Inspections should be conducted whenever the servicer/holder becomes aware that the physical condition of the security may be in jeopardy. Unless a repayment agreement is in effect, a property inspection shall also be made:

- a. Before the 60<sup>th</sup> day of delinquency or before initiating action to liquidate a loan, whichever is earlier; and
- b. At least once each month after liquidation proceedings have been started unless servicing information shows the property remains owner occupied.
- c. Whenever a servicer/holder obtains information which indicates that a property securing the loan is abandoned, it shall make appropriate arrangements to protect the property from vandalism and the elements. Thereafter, the servicer/holder shall schedule inspections at least monthly to prevent unnecessary deterioration due to vandalism or neglect. With respect to any loan more than 30 days delinquent, a property abandonment must be reported to the Secretary and appropriate action initiated under 36.4317(a) within 15 days after the holder confirms the property is abandoned.
- d. Reimbursement fees are listed on Exhibit B.

### **2. LOCKSET INSTALLATION**

- a. An acceptable lock shall be installed in the door nearest the street. Existing lock and lock hardware on the door shall be removed and the door frame repaired prior to installation. All other exterior doors shall be secured and existing locks used when in good working order.
- b. All windows shall be closed and locked. When a lender installs the lockset, the keys (2) furnished with the lock must be forwarded to VA with VA Form 26-8903, Notice of Election to Convey and/or Invoice for Transfer of Property. These keys must be attached to receive reimbursement via the Claim Under Guaranty.
- c. On all vacant properties, the servicer/holder must arrange access so that the appraiser can conduct the liquidation appraisal. Failure to do so could result in VA being unable to issue bidding instructions for a pending sale.

**3. WINTERIZATION**

- a. Required services for all properties:
  - (1) The water shall be shut off at the meter valve; the meter disconnected (not cut) and drained.
  - (2) Drain all water lines by opening all valves and faucets.
  - (3) Drain the hot water tank and open the safety relief valve from same.
  - (4) All commodes shall be flushed to drain all water from tank and bowl. Remaining water must be siphoned out.
  - (5) All drain traps must be siphoned of excess water.
  - (6) All water lines shall be blown clear of all water using a minimum 50 lb. Of air pressure.
  - (7) Permanent non-staining anti-freeze suitable for plastic piping shall be poured into each commode bowl and all drain traps.
- b. Required services for properties with hot water or steam heating systems:
  - (1) Open all drain cocks on boiler.
  - (2) Open all valves and air bleeders on expansion tanks and radiators.
  - (3) All return lines shall be disconnected at the lowest point of the system and at boiler return entry, allowing all lines to drain.
- c. Required services for properties with hot water radiant heating systems, water lines in concrete floor:
  - (1) Drain boiler completely.
  - (2) Disconnect distribution lines at boiler and blow all lines free of water using minimum of 50 lb. of air pressure.
- d. Required services for properties with hot water baseboard heating systems:
  - (1) Drain boiler completely.
  - (2) Open all air bleeder valves.
  - (3) Disconnect distribution lines and blow all lines free of water using minimum of 50 lb. Of air pressure.
  - (4) If heating system is multi-zoned, each zone or loop must have lines blown.
- e. A tag noting the date of winterization will be attached to the hot water tank, meter shut-off valve, all commodes and kitchen faucets.
- f. Failure to properly winterize a property could result in substantial damage to the property, thereby increasing the risk of a No Bid/No Election case or claim adjustment.

**4. LAWN CARE**

- a. Initial Service:
  - (1) Overgrown shrubs or tree branches that are hazardous or obstruct doorways, public walks and driveways shall be trimmed or removed. All observed trash and debris in the year shall be removed as a part of the initial service.
  - (2) Lawns shall be cut to a height of two inches. The lawn shall be properly raked and the cuttings removed whenever the height of the grass exceeds six inches.
  
- b. Scheduled cuttings other than the initial service:
  - (1) Scheduled lawn care shall begin on April 1<sup>st</sup> and end on September 30<sup>th</sup>. Cutting every 14 days is considered reasonable, except during very rainy periods when cutting every 10 days is considered reasonable.
  - (2) The entire lawn shall be cut to a height of two inches, unless area exceeds 40,000 square feet (see Exhibit B for instructions). Grass and weeds shall be trimmed around the foundation of all structures, planting beds and fences.

**5. CLEAN-UPS**

ADDITIONAL CLEANUP WILL BE DONE ONLY IF THERE ARE EXISTING VIOLATIONS AGAINST THE PROPERTY. The cleanup must be substantiated by a copy of the violations notice.

**6. SUMP PUMPS**

- a. Replacement must be substantiated by photos and will be verified by reviewing the liquidation appraisal.
- b. The servicer/holder is authorized to maintain the electricity on those properties where there is a sump pump. Reimbursement for this payment will be made on the Claim Under Guaranty when a paid receipt is provided.

**7. SCREENING AND BOARDING**

- a. Screening and/or boarding should be done only in those areas where previous experience has shown vandalism and/or theft to be a regular problem or where special conditions exist that make it necessary.
- b. If VA screening/boarding guidelines are in conflict with local codes or ordinances, the local code or ordinance guidelines will be controlling.
- c. Windows with broken glass will be covered with 4 mil. plastic sheeting.
- d. Fees for services are expressed in terms of united inches, that is, the sum of the height and width of the window. A 30 inch by five foot window would be equivalent to 90 united inches.
- e. Screening - all windows on the first floor and basement level shall be covered with 4 mil. plastic sheeting and ¼" square wire mesh affixed to the frame with 5/8" staples.
- f. Boarding - Nail boarding is not acceptable. Boarding shall include doors, windows and other areas of the structure open to vandals or to the elements. Openings shall be secured by exterior graded plywood no less than ½" thick, or other material of equal strength, cut to fit into the openings. Openings in excess of 48" wide must be framed with 2" x 4" lumber 24" on center. The plywood or equivalent material shall be fastened into the openings by screws or lag screws. On metal casement windows, the openings will be bolt boarded.

**8. ROOF REPAIR**

Damaged areas of roof should be covered with tarp. Repairs should be made only when cost to repair will not exceed cost to tarp.

**9. SWIMMING POOLS**

Proper care must be exercised to prevent any accidents. Water should be drained and all gates padlocked. If in poor condition, above ground pools can be removed as junk. Servicer/holders are to ensure compliance with all ordinances pertaining to swimming pools.