

**Department of
Veterans Affairs**

**Information
Bulletin**

February 14, 2001

Loan Guaranty Letter 01-3
263-2

SUBJ: Revised Management Broker Responsibilities Under HUD's Final Rule on the Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X) in the Sale of Department of Veterans Affairs (VA) Owned Properties.

BACKGROUND

The Department of Housing and Urban Development (HUD) has issued final regulations mandated by Section 1018 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X). The final rule provides the regulations on the evaluation, reduction, and notification of any known lead-based paint or lead-based paint hazards in target housing (residential housing constructed prior to 1978).

The final rule now applies to all VA-owned target housing, and changes the inspection and reporting requirements of VA Management Brokers.

WHAT THE REGULATIONS REQUIRE

Under these regulations, the Title X final rule requires the following activities to eliminate, as far as practicable, lead-based paint hazards on target housing prior to the sale of a residential property that is owned by VA.

Properties Constructed prior to 1978:

- A visual assessment of all painted surfaces
- Paint stabilization of all deteriorated paint
- Clearance examination
- Notification/Disclosure

Effective Date: Effective upon completion of the *HUD Visual Assessment Training Course*, Management Brokers may assist VA in the implementation of the above requirements in the course of their regular duties on all target housing.

RESPONSIBILITIES OF THE MANAGEMENT BROKER

Management Broker responsibilities are revised to ensure that all target housing is appropriately identified, and that construction dates are derived from accurate sources. The Denver Regional Office has determined that the source you should use to obtain construction date information is the date of construction in the records of the local county or city tax assessors office.

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Other responsibilities include the performance of a visual assessment report on all interior and exterior paint surfaces to accurately identify any deteriorated paint. Please complete the **free**, HUD training course to learn the procedures for conducting and reporting the visual assessment. The course is located on HUD's Internet site www.hud.gov/lea/. The course is entitled *HUD Visual Assessment Training Course*. Once you have completed the course, you can print out the completion certificate. Please forward a copy of the certificate to the regional office.

If paint stabilization is to be performed, Management Brokers will need to assure that bids are requested only from qualified repair contractors who have successfully completed one of several courses approved by HUD as outlined in the circular, or are supervised by a certified lead paint abatement supervisor. Management Brokers will need to obtain either a copy of the certificate of completion of the training or certification by the contractor that they have completed the training for their records. If the repairs are completed under the supervision of a certified lead paint abatement supervisor, a copy of his/her certification and a written certification that all repairs were completed under his/her supervision in compliance with Title X of the Housing and Community Development Act of 1992 must be maintained with each repair contract in the Management Brokers records. Also, one copy must be attached to the repair invoice when submitted for payment. All repair bid solicitations will contain minimum protective language for paint stabilization repairs as outlined in Exhibit C of the circular.

Also, Management Brokers must order a clearance examination from a qualified clearance examiner. In order to facilitate the timely completion of the project, it is vital that the clearance examiner maintain communications with both the Management Broker and the paint stabilizer contractor. Please expedite the submission of invoices to VA the same day you approve them for payment.

The following information provides guidance on completion of VA Form 26-0595v, Property Inspection Report and Market Analysis (PIR):

- Enter the date the home was built in Section 8 "Property Description."
- Enter detailed date in Section 15 "Environmental Hazards."
- Enter the data source from where the construction date was obtained in Section 26. Provide the visual assessment report results on all painted surfaces.
- Enter detailed paint stabilization repair specifications and estimated costs in the repair section of the property inspection report. Please differentiate between areas needing stabilization of deteriorated paint and areas which require cosmetic paint only.

A copy of circular **26-01-1** is attached for your reference. This information bulletin takes the place of Exhibit B. Therefore, pages 16 and 17 are not included in this attachment. For further information, contact our office at 303-914-5630.

VLINDA A. CHILDS
Loan Guaranty Officer

Attachment: Circular 26-01-01