

Department of  
Veterans Affairs

# Information Bulletin

April 29, 2002

Loan Guaranty Letter 02-07  
262-4

SUBJ: Assignment of VA Inspector

**Purpose.** This release explains the assignment of inspector process and eliminates early start requests.

On July 7, 1994, the Department of Veterans Affairs (VA) Denver Regional Loan Center (RLC) agreed to accommodate local builders and approved an exception to the national VA policy concerning the assignment of a VA compliance inspector for proposed construction cases. Early start requests were implemented that allowed the assignment of the compliance inspector prior to the appraisal being ordered. This exception has been eliminated.

### Required Documents

Program changes have been implemented by the Department of Housing and Urban Development (HUD). VA is following HUD's inspection process. The following items are required for VA loans in lieu of first and second inspections:

- An occupancy permit or other appropriate documentation issued by the locality to verify that all construction has been acceptably completed and
- VA final inspection by VA inspector and
- VA Form 26-1859, Warranty of Completion of Construction

### Appraisal Ordering

Lenders and builders may order their appraisal at any time during the construction process if the above referenced required documents are provided to VA.

**The appraisal request must be forwarded to the assigned appraiser immediately after it is ordered. Please do not hold appraisal request.**

Please refer to table below to determine what needs to be sent to appraiser and approximate time to order appraisal:

Construction Stage	Items for appraiser	When to order
PROPOSED OR UNDER CONSTRUCTION (Not built or not competed)	1. Request for Determination of Reasonable Value, 26-1805; 2. Certified Plans and Specifications	Order prior to starting construction or completion of property. Allow enough time for VA appraiser to complete appraisal and VA inspector to schedule final compliance inspection
NEW CONSTRUCTION - Less than one year old. Completed or completed except for customer preference items (such as interior wall finishes, floor covering, appliances)	Request for Determination of Reasonable Value, 26-1805	Order when property is complete except for customer preference items. Allow enough time for VA appraiser to complete appraisal and VA inspector to schedule final compliance inspection.

Appraisal requests without VA or HUD inspections during construction is a privilege available only to builders who routinely provide good quality construction. Builders who are required to obtain VA or HUD inspections during construction will be notified by VA in writing.

**Contact**

If you have any questions regarding this matter, please refer to the VA Lender's Handbook, chapters 10 and 14. This is available on the VA internet website at [www.homeloans.va.gov](http://www.homeloans.va.gov). Our phone number is 1-(888)-349-7541 or (303) 914-5637.

Thank you for your cooperation with this change and your willingness to assist us in putting our veterans in quality homes.

VLINDA A. CHILDS  
Loan Guaranty Officer

Distribution: Colorado, Montana, Oregon, Utah and Wyoming Program Participants

Rescission:  
Loan Guaranty Letter 94-12