

DEPARTMENT OF VETERANS AFFAIRS
REGIONAL OFFICE
6900 ALMEDA ROAD
HOUSTON, TX 77030



January 11, 2005

C&V MEMO 05-01

TO: VA Compliance Inspectors

SUBJ: Compliance Inspections on Specially Adapted Housing Grants

1. VA assigns a VA compliance inspector to perform inspections on both new construction and remodeling jobs for veterans who are eligible for Specially Adapted Housing (SAH) grants from VA. **VA will reimburse you directly for these inspections.** The builder or remodeling contractor is responsible for paying your fee if deficiencies are noted in the report and re-inspection is required.
2. **When the assignment is made, you will receive a cover letter, a blank invoice, copies of the plans and specs or construction exhibits, and a copy of the draw schedule for remodeling projects.** When the grant is used for the purchase of a new home, the inspection is the same as you perform on any new construction job. VA requires three full inspections by a VA compliance inspector on these projects.
3. The inspections required for remodeling vary, depending on the size of the job and draw schedule arranged with the contractor. VA will not advance funds to a contractor but may in some cases provide funds for materials provided they are on site at the time of the inspection. The details of the job should be clear on the draw schedule (or escrow agreement) that you receive from VA. If you have any questions, you should contact the Specially Adapted Housing agent who made the inspection assignment to you.
4. **Because we are disbursing funds on these remodeling contracts, it is important that you state in the inspection report the specific scope of work that was inspected.** It is not sufficient to only mark "First", "Second", "Third", "Reinspection", or "Special" in section 1 of VA form 26-1839, VA Compliance Inspection Report. **We need a clear description of the work inspected as it corresponds with the draw schedule** so that we do not mistakenly advance funds for work that has not been completed. **You may reference the draw schedule in the description of work completed (i.e. "all work complete as described for draw number 2").**

5. All inspections made for SAH should be faxed or e-mailed to VA as soon as possible after the inspection has been completed (within 24 hours), to be followed by mailing the full package. **You will not deliver “drop copies” of compliance inspection reports to the builder except for failed inspections.**

6. There may be changes during the course of remodeling to the draw schedule or escrow agreement. When this occurs, you will be notified in writing by VA. You should never perform an inspection based on information you receive directly from the contractor.

7. We understand that these are often more complex inspections than you may generally perform, and we appreciate your service to us and our veterans. Thanks.

WILLIAM D. NEWTON
Valuation Officer