

Department of Veterans Affairs	COMPLIANCE INSPECTION REPORT	CASE NUMBER
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NOTE TO BUILDER - Unapproved report left at site for builder's convenience is subject to change. Consult lending institution for OFFICIAL REPORT.

PROPERTY IDENTIFICATION (Include lot and block)

NAME AND ADDRESS OF LENDER (Complete mailing address including ZIP Code)	NAME OF BUILDER
	NOTE - The VA case number and other identification(address, lot and block number) assigned to the property shall be posted on the site and be so located that the notice can be read from the street. Inability to identify the property may prevent inspection.
	RESPONDENT BURDEN: VA may not conduct or sponsor, and respondent is not required to respond to this collection of information unless it displays a valid OMB Control Number. Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have comments regarding this burden estimate or any other aspect of this collection of information, call 1-800-827-1000 for mailing information on where to send your comments.

PRIVACY ACT INFORMATION - This report is authorized by law (38 U.S.C. 501(a), 5902 and 5904). Failure to provide information requested can result in rejection of the property as security for a VA loan. Your answers may be given outside VA only if authorized under the Privacy Act, including the routine uses (for example: Authorize release of information to Congress when requested on behalf of a veteran who purchased the home that we inspected) identified in the VA system of records, 55VA26, Loan Guaranty Home, Condominium and Manufactured Home Loan Applicant Records, Specially Adapted Housing Applicant Records, and Vendee Loan Applicant Records-VA, published in the Federal Register.

1. INSPECTION OF ONSITE BUILDING IMPROVEMENTS WAS MADE AT INSPECTION STAGE CHECKED BELOW

FIRST EXCAVATION COMPLETE AND READY FOR FOOTINGS AND FOUNDATIONS FOUNDATION WALLS COMPLETE AND READY FOR BACKFILL

SECOND BUILDINGS ENCLOSED, STRUCTURAL MEMBERS STILL EXPOSED AND ROUGHING-IN FOR HEATING, PLUMBING, AND ELECTRICAL WORK IN PLACE AND VISIBLE (Individual water supply or sewage disposal system complete and ready for backfill is included in this stage)

THIRD ALL DWELLING CONSTRUCTION, INSTALLATION OF EQUIPMENT, UTILITY CONNECTIONS, AND ANY SPECIFIED ACCESSORY BUILDING GRADING, DRAINAGE PROVISIONS, LANDSCAPING, WALKS, DRIVES, STEPS, OR RETAINING WALLS REPORTED BY THIS BUILDER AS COMPLETE IN ACCORDANCE WITH THE CONDITIONS OF THE CERTIFICATE OF REASONABLE VALUE

REINSPECTIONS _____

SPECIAL _____

CONDITION OF CONSTRUCTION AT THIS INSPECTION

A. NO EVIDENCE OF NONCOMPLIANCE OBSERVED C. NONCOMPLIANCE-BUILDER WILL COMPLY WITHOUT DELAY E. DWELLING HABITABLE, BUT COMPLETION OF CERTAIN IMPROVEMENTS WILL BE DELAYED BY CONDITIONS BEYOND CONTROL. IF LENDER DESIRES EVIDENCE OF GUARANTY BEFORE COMPLETION OF THESE ITEMS, VA FORM 26-1847 MUST BE SUBMITTED (Check appropriate box)

B. SUBSTITUTIONS OR DEVIATIONS D. NONCOMPLIANCE-BUILDER DOES NOT INTEND TO COMPLY LENDER'S CERTIFICATION OF COMPLETION ACCEPTABLE INSPECTION BY VA COMPLIANCE INSPECTOR REQUIRED

ITEMIZED AND DESCRIBED AS FOLLOWS:

ABOVE ITEMS WILL BE INSPECTED AT NEXT REGULAR INSPECTION REINSPECTION REQUIRED

COMPLETE THIS ITEM WHEN MAKING THIRD INSPECTION

2. INSPECTION OF OFFSITE IMPROVEMENTS REVEALED CONDITION A. B. C. D. E. AS DEFINED IN ITEM 1, AND DESCRIBED AS FOLLOWS:

REINSPECTION REQUIRED

3. REINSPECTION OF WORK PREVIOUSLY INSPECTED AT FIRST SECOND THIRD SPECIAL INSPECTION

REVEALED CONDITION A. B. C. D. E. AS DEFINED IN ITEM 1, AND DESCRIBED AS FOLLOWS:

4. ESTIMATED COST OF INCOMPLETE ONSITE WORK AS REPORTED AT THIRD INSPECTION OR THEREAFTER UNDER CONDITION E, IN ITEM 1 OR 3 ABOVE	ESTIMATED COST \$	PROBABLE DATE OF COMPLETION
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5. CERTIFICATION - I CERTIFY THAT I have carefully inspected the above property in which I have no interest, present or prospective, and that I have reported herein all conditions observed to be at variance with VA Minimum Property Requirements, approved plans and specifications, and any specific requirements for offsite improvements relating to the property inspected.

DATE	SIGNATURE OF DESIGNATED COMPLIANCE INSPECTOR
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NOTE TO LENDER - Copy 2, VA LOAN DOCKET COPY, must be returned to VA with VA Form 26-1820, VA Form 26-1876 or VA Form 26-8646.

6. VA REVIEW OF INSPECTION REPORT REVEALED CONDITION

A. PREFINAL REPORT APPROVED C. CERTIFICATE OF REASONABLE VALUE REVISED (As a result of substitutions or deviations used in Items 1, 2 or 3) D. CERTIFICATION IS REQUIRED THAT LENDER'S INSPECTION PRIOR TO LOAN CLOSING REVEALS SATISFACTORY INSTALLATION OF SPECIFIED FINISH FLOOR COVERING AS DESCRIBED IN ITEM 1 IN THE AREA(S) IDENTIFIED IN ITEM 1 (If checked, Items 6A and 6C MUST also be checked)

B. ALL IMPROVEMENTS ACCEPTABLY COMPLETED

DATE	SIGNATURE OF CHIEF, CONSTRUCTION AND VALUATION SECTION, OR DESIGNEE
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INSTRUCTIONS TO COMPLIANCE INSPECTOR

When making a compliance inspection the inspector must have at hand reports of any previous inspections, approved plans and specifications, and a statement of any specific offsite requirements for the property to be inspected. Other required references include HUD regulation in 24 CFR 200.962d. The inspector makes a careful examination of all improvements to ascertain whether or not the work is at the stage of completion required for the inspection being made, whether or not items of noncompliance listed on a previous report have been corrected, and whether or not there have been any other variations from plans, specifications or VA Minimum Property Requirements. If an inspection has been requested and the work has not progressed to such a point that the required inspection can be completed, a report shall be prepared and distributed in the usual manner; however, the report shall indicate "Reinspection Required." If the work has progressed beyond the required inspection stage to such an extent that significant items to be inspected have been concealed, the inspection will be deferred until the concealed work has been uncovered so as to permit satisfactory inspection. The Compliance Inspection Report, VA Form 26-1839, is completed as follows:

HEADING. The following entries are made: Property street address or lot and block number, builder's name and address and lender's name and address. The case number and veteran's name and address are also entered if provided.

ITEM 1. The stage of construction at which inspection is being made is indicated by use of the appropriate check box. First inspection is made at one of two alternative stages whichever has been designated for the subject locality by the VA regional office. "Special" inspection is checked in the case of alterations, repairs or additions to existing construction, and the inspector enters a brief description of the stage of construction in the blank lines provided. Reinspection is checked in all cases wherein a previous report has indicated "Reinspection Required."

Under "Condition of Construction at this Inspection," the appropriate condition or conditions are checked in accordance with the following:

Condition "A." (No evidence of noncompliance observed) is checked if the work has progressed to the inspection stage being reported upon and has been completed in accordance with plans, specifications and Minimum Property Requirements. When this condition is indicated, no further entries are made in Item 1 of the form.

If variations are observed, condition "B," "C," "D" or "E," or a combination thereof is checked as appropriate. In these instances the specific variations are listed in the blank lines provided and itemized by use of the letters "B," "C," "D" or "E," as they may apply. Where appropriate, specific reference to sections of the regulations should be indicated. If additional space is required, the carbons may be reversed and the back of the form used.

Condition "B." (Substitutions or deviations) is reported where variations from plans and specifications and/or deviations from the applicable Minimum Property Requirements are found to exist, regardless of whether or not costs are affected. When the builder is under contract with a veteran owner, a change order signed by the veteran must be exhibited if this condition is to be checked. In these cases the substitution or deviation is listed with the notation "per veteran's change order."

Condition "C." (Noncompliance, builder will comply without delay) is reported when unapproved variations are found and the builder is willing and able to satisfactorily correct or complete the work during the normal course of construction.

Condition "D." (Noncompliance, builder does not intend to comply) is reported when the builder indicates unwillingness or inability to correct or complete items of noncompliance.

Condition "E." (Dwelling habitable, but completion of certain improvements will be delayed by conditions beyond control) is reported only at third inspection or thereafter; e.g. when all building improvements are complete except a concrete driveway, walk and steps, which cannot be poured because of freezing weather. The regional office will determine if lender's certification is acceptable or inspection by VA compliance inspector is required.

When noncompliance, condition "C," has been checked at first or second inspection, the inspector indicates whether the item to be corrected or completed will be inspected at the next regular inspection or whether reinspection will be required. The check boxes at the bottom of Item 1 are used for this purpose. In these cases reinspection is required when the work to be inspected will be concealed before the next regular inspection. When noncompliance or incomplete work, condition "C" or "E," is reported at third inspection "Reinspection Required" is checked in all cases.

ITEM 2. This item is completed when making the regular third inspection described in Item 1. Blank lines are provided for reporting inspection findings with respect to offsite improvements such as walks, drives, streets and utilities, specified for the subject property. As in Item 1, condition "A," "B," "C," "D" or "E" is checked and a description of the condition written in. Where incomplete or unsatisfactory work is reported "Reinspection Required" is checked.

ITEM 3. This item is used for reporting findings revealed by an additional inspection occasioned by the requirement for Reinspection made on a previous report. Entries are made in the manner prescribed under Items 1 and 2 above.

ITEM 4. When condition "E" has been checked under Item 1 or 3, the inspector enters an estimate of the cost of finishing the incomplete onsite work and the expected date of completion. The cost of any incomplete offsite work is not included.

ITEM 5. All inspection reports (First, Second, Third, Special or Reinspection) are completed insofar as the inspector is concerned by execution of the certification. It is to be noted that the certification is so worded that final acceptance and approval is not indicated at any stage. This affords the inspector or regional office construction analyst the opportunity of reporting noncompliance which may have been overlooked at a previous inspection.

SUBMISSION OF REPORT. An unapproved copy of all reports is left at the job site for the convenience of the builder. One copy is retained by the inspector for his or her case file. The remaining three copies are forwarded directly to the Chief, Construction and Valuation Section, VA regional office. When compliance inspectors have been authorized to approve and distribute compliance inspection reports of first and intermediate stages of construction which do not report any noncompliance, substitutions or deviations, the Lender's and Loan Docket copies may be sent to the lender and the VA file copy submitted to the VA regional office.

RECOMMENDATION TO CHIEF, CONSTRUCTION AND VALUATION SECTION. When a report shows "substitutions or deviations" it must be submitted together with an itemized statement by the inspector showing dollar differences in construction cost occasioned by such changes.

INSTRUCTIONS TO COMPLIANCE INSPECTOR

When making a compliance inspection the inspector must have at hand reports of any previous inspections, approved plans and specifications, and a statement of any specific offsite requirements for the property to be inspected. Other required references include HUD regulation in 24 CFR 200.962d. The inspector makes a careful examination of all improvements to ascertain whether or not the work is at the stage of completion required for the inspection being made, whether or not items of noncompliance listed on a previous report have been corrected, and whether or not there have been any other variations from plans, specifications or VA Minimum Property Requirements. If an inspection has been requested and the work has not progressed to such a point that the required inspection can be completed, a report shall be prepared and distributed in the usual manner; however, the report shall indicate "Reinspection Required." If the work has progressed beyond the required inspection stage to such an extent that significant items to be inspected have been concealed, the inspection will be deferred until the concealed work has been uncovered so as to permit satisfactory inspection. The Compliance Inspection Report, VA Form 26-1839, is completed as follows:

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Under "Condition of Construction at this Inspection," the appropriate condition or conditions are checked in accordance with the following:

Condition "A." (No evidence of noncompliance observed) is checked if the work has progressed to the inspection stage being reported upon and has been completed in accordance with plans, specifications and Minimum Property Requirements. When this condition is indicated, no further entries are made in Item 1 of the form.

If variations are observed, condition "B," "C," "D" or "E," or a combination thereof is checked as appropriate. In these instances the specific variations are listed in the blank lines provided and itemized by use of the letters "B," "C," "D" or "E," as they may apply. Where appropriate, specific reference to sections of the regulations should be indicated. If additional space is required, the carbons may be reversed and the back of the form used.

Condition "B." (Substitutions or deviations) is reported where variations from plans and specifications and/or deviations from the applicable Minimum Property Requirements are found to exist, regardless of whether or not costs are affected. When the builder is under contract with a veteran owner, a change order signed by the veteran must be exhibited if this condition is to be checked. In these cases the substitution or deviation is listed with the notation "per veteran's change order."

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Condition "E." (Dwelling habitable, but completion of certain improvements will be delayed by conditions beyond control) is reported only at third inspection or thereafter; e.g. when all building improvements are complete except a concrete driveway, walk and steps, which cannot be poured because of freezing weather. The regional office will determine if lender's certification is acceptable or inspection by VA compliance inspector is required.

When noncompliance, condition "C," has been checked at first or second inspection, the inspector indicates whether the item to be corrected or completed will be inspected at the next regular inspection or whether reinspection will be required. The check boxes at the bottom of Item 1 are used for this purpose. In these cases reinspection is required when the work to be inspected will be concealed before the next regular inspection. When noncompliance or incomplete work, condition "C" or "E," is reported at third inspection "Reinspection Required" is checked in all cases.

ITEM 2. This item is completed when making the regular third inspection described in Item 1. Blank lines are provided for reporting inspection findings with respect to offsite improvements such as walks, drives, streets and utilities, specified for the subject property. As in Item 1, condition "A," "B," "C," "D" or "E" is checked and a description of the condition written in. Where incomplete or unsatisfactory work is reported "Reinspection Required" is checked.

ITEM 3. This item is used for reporting findings revealed by an additional inspection occasioned by the requirement for Reinspection made on a previous report. Entries are made in the manner prescribed under Items 1 and 2 above.

ITEM 4. When condition "E" has been checked under Item 1 or 3, the inspector enters an estimate of the cost of finishing the incomplete onsite work and the expected date of completion. The cost of any incomplete offsite work is not included.

ITEM 5. All inspection reports (First, Second, Third, Special or Reinspection) are completed insofar as the inspector is concerned by execution of the certification. It is to be noted that the certification is so worded that final acceptance and approval is not indicated at any stage. This affords the inspector or regional office construction analyst the opportunity of reporting noncompliance which may have been overlooked at a previous inspection.

SUBMISSION OF REPORT. An unapproved copy of all reports is left at the job site for the convenience of the builder. One copy is retained by the inspector for his or her case file. The remaining three copies are forwarded directly to the Chief, Construction and Valuation Section, VA regional office. When compliance inspectors have been authorized to approve and distribute compliance inspection reports of first and intermediate stages of construction which do not report any noncompliance, substitutions or deviations, the Lender's and Loan Docket copies may be sent to the lender and the VA file copy submitted to the VA regional office.

RECOMMENDATION TO CHIEF, CONSTRUCTION AND VALUATION SECTION. When a report shows "substitutions or deviations" it must be submitted together with an itemized statement by the inspector showing dollar differences in construction cost occasioned by such changes.

INSTRUCTIONS TO COMPLIANCE INSPECTOR

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Condition "A." (No evidence of noncompliance observed) is checked if the work has progressed to the inspection stage being reported upon and has been completed in accordance with plans, specifications and Minimum Property Requirements. When this condition is indicated, no further entries are made in Item 1 of the form.

If variations are observed, condition "B," "C," "D" or "E," or a combination thereof is checked as appropriate. In these instances the specific variations are listed in the blank lines provided and itemized by use of the letters "B," "C," "D" or "E," as they may apply. Where appropriate, specific reference to sections of the regulations should be indicated. If additional space is required, the carbons may be reversed and the back of the form used.

Condition "B." (Substitutions or deviations) is reported where variations from plans and specifications and/or deviations from the applicable Minimum Property Requirements are found to exist, regardless of whether or not costs are affected. When the builder is under contract with a veteran owner, a change order signed by the veteran must be exhibited if this condition is to be checked. In these cases the substitution or deviation is listed with the notation "per veteran's change order."

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RECOMMENDATION TO CHIEF, CONSTRUCTION AND VALUATION SECTION. When a report shows "substitutions or deviations" it must be submitted together with an itemized statement by the inspector showing dollar differences in construction cost occasioned by such changes.

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PROPERTY IDENTIFICATION *(Include lot and block)*

NAME AND ADDRESS OF LENDER <i>(Complete mailing address including ZIP Code)</i> ● ●	NAME OF BUILDER NOTE - The VA case number and other identification (address, lot and block number) assigned to the property shall be posted on the site and be so located that the notice can be read from the street. Inability to identify the property may prevent inspection. RESPONDENT BURDEN: VA may not conduct or sponsor, and respondent is not required to respond to this collection of information unless it displays a valid OMB Control Number. Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have comments regarding this burden estimate or any other aspect of this collection of information, call 1-800-827-1000 for mailing information on where to send your comments.
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1. INSPECTION OF ONSITE BUILDING IMPROVEMENTS WAS MADE AT INSPECTION STAGE CHECKED BELOW

FIRST EXCAVATION COMPLETE AND READY FOR FOOTINGS AND FOUNDATIONS FOUNDATION WALLS COMPLETE AND READY FOR BACKFILL

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REINSPECTIONS _____

SPECIAL _____

CONDITION OF CONSTRUCTION AT THIS INSPECTION

<input type="checkbox"/> A. NO EVIDENCE OF NONCOMPLIANCE OBSERVED	<input type="checkbox"/> C. NONCOMPLIANCE-BUILDER WILL COMPLY WITHOUT DELAY	<input type="checkbox"/> E. DWELLING HABITABLE, BUT COMPLETION OF CERTAIN IMPROVEMENTS WILL BE DELAYED BY CONDITIONS BEYOND CONTROL. IF LENDER DESIRES EVIDENCE OF GUARANTY BEFORE COMPLETION OF THESE ITEMS, VA FORM 26-1847 MUST BE SUBMITTED <i>(Check appropriate box)</i>
<input type="checkbox"/> B. SUBSTITUTIONS OR DEVIATIONS	<input type="checkbox"/> D. NONCOMPLIANCE-BUILDER DOES NOT INTEND TO COMPLY	<input type="checkbox"/> LENDER'S CERTIFICATION OF COMPLETION ACCEPTABLE
		<input type="checkbox"/> INSPECTION BY VA COMPLIANCE INSPECTOR REQUIRED

ITEMIZED AND DESCRIBED AS FOLLOWS:

ABOVE ITEMS WILL BE INSPECTED AT NEXT REGULAR INSPECTION REINSPECTION REQUIRED

COMPLETE THIS ITEM WHEN MAKING THIRD INSPECTION

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<input type="checkbox"/> A. PREFINAL REPORT APPROVED	<input type="checkbox"/> C. CERTIFICATE OF REASONABLE VALUE REVISED <i>(As a result of substitutions or deviations used in Items 1, 2 or 3)</i>	<input type="checkbox"/> D. CERTIFICATION IS REQUIRED THAT LENDER'S INSPECTION PRIOR TO LOAN CLOSING REVEALS SATISFACTORY INSTALLATION OF SPECIFIED FINISH FLOOR COVERING AS DESCRIBED IN ITEM 1 IN THE AREA(S) IDENTIFIED IN ITEM 1 <i>(If checked, Items 6A and 6C MUST also be checked)</i>
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Condition "C." (Noncompliance, builder will comply without delay) is reported when unapproved variations are found and the builder is willing and able to satisfactorily correct or complete the work during the normal course of construction.

Condition "D." (Noncompliance, builder does not intend to comply) is reported when the builder indicates unwillingness or inability to correct or complete items of noncompliance.

Condition "E." (Dwelling habitable, but completion of certain improvements will be delayed by conditions beyond control) is reported only at third inspection or thereafter; e.g. when all building improvements are complete except a concrete driveway, walk and steps, which cannot be poured because of freezing weather. The regional office will determine if lender's certification is acceptable or inspection by VA compliance inspector is required.

When noncompliance, condition "C," has been checked at first or second inspection, the inspector indicates whether the item to be corrected or completed will be inspected at the next regular inspection or whether reinspection will be required. The check boxes at the bottom of Item 1 are used for this purpose. In these cases reinspection is required when the work to be inspected will be concealed before the next regular inspection. When noncompliance or incomplete work, condition "C" or "E," is reported at third inspection "Reinspection Required" is checked in all cases.

ITEM 2. This item is completed when making the regular third inspection described in Item 1. Blank lines are provided for reporting inspection findings with respect to offsite improvements such as walks, drives, streets and utilities, specified for the subject property. As in Item 1, condition "A," "B," "C," "D" or "E" is checked and a description of the condition written in. Where incomplete or unsatisfactory work is reported "Reinspection Required" is checked.

ITEM 3. This item is used for reporting findings revealed by an additional inspection occasioned by the requirement for Reinspection made on a previous report. Entries are made in the manner prescribed under Items 1 and 2 above.

ITEM 4. When condition "E" has been checked under Item 1 or 3, the inspector enters an estimate of the cost of finishing the incomplete onsite work and the expected date of completion. The cost of any incomplete offsite work is not included.

ITEM 5. All inspection reports (First, Second, Third, Special or Reinspection) are completed insofar as the inspector is concerned by execution of the certification. It is to be noted that the certification is so worded that final acceptance and approval is not indicated at any stage. This affords the inspector or regional office construction analyst the opportunity of reporting noncompliance which may have been overlooked at a previous inspection.

SUBMISSION OF REPORT. An unapproved copy of all reports is left at the job site for the convenience of the builder. One copy is retained by the inspector for his or her case file. The remaining three copies are forwarded directly to the Chief, Construction and Valuation Section, VA regional office. When compliance inspectors have been authorized to approve and distribute compliance inspection reports of first and intermediate stages of construction which do not report any noncompliance, substitutions or deviations, the Lender's and Loan Docket copies may be sent to the lender and the VA file copy submitted to the VA regional office.

RECOMMENDATION TO CHIEF, CONSTRUCTION AND VALUATION SECTION. When a report shows "substitutions or deviations" it must be submitted together with an itemized statement by the inspector showing dollar differences in construction cost occasioned by such changes.

INSTRUCTIONS TO COMPLIANCE INSPECTOR

When making a compliance inspection the inspector must have at hand reports of any previous inspections, approved plans and specifications, and a statement of any specific offsite requirements for the property to be inspected. Other required references include HUD regulation in 24 CFR 200.962d. The inspector makes a careful examination of all improvements to ascertain whether or not the work is at the stage of completion required for the inspection being made, whether or not items of noncompliance listed on a previous report have been corrected, and whether or not there have been any other variations from plans, specifications or VA Minimum Property Requirements. If an inspection has been requested and the work has not progressed to such a point that the required inspection can be completed, a report shall be prepared and distributed in the usual manner; however, the report shall indicate "Reinspection Required." If the work has progressed beyond the required inspection stage to such an extent that significant items to be inspected have been concealed, the inspection will be deferred until the concealed work has been uncovered so as to permit satisfactory inspection. The Compliance Inspection Report, VA Form 26-1839, is completed as follows:

HEADING. The following entries are made: Property street address or lot and block number, builder's name and address and lender's name and address. The case number and veteran's name and address are also entered if provided.

ITEM 1. The stage of construction at which inspection is being made is indicated by use of the appropriate check box. First inspection is made at one of two alternative stages whichever has been designated for the subject locality by the VA regional office. "Special" inspection is checked in the case of alterations, repairs or additions to existing construction, and the inspector enters a brief description of the stage of construction in the blank lines provided. Reinspection is checked in all cases wherein a previous report has indicated "Reinspection Required."

Under "Condition of Construction at this Inspection," the appropriate condition or conditions are checked in accordance with the following:

Condition "A." (No evidence of noncompliance observed) is checked if the work has progressed to the inspection stage being reported upon and has been completed in accordance with plans, specifications and Minimum Property Requirements. When this condition is indicated, no further entries are made in Item 1 of the form.

If variations are observed, condition "B," "C," "D" or "E," or a combination thereof is checked as appropriate. In these instances the specific variations are listed in the blank lines provided and itemized by use of the letters "B," "C," "D" or "E," as they may apply. Where appropriate, specific reference to sections of the regulations should be indicated. If additional space is required, the carbons may be reversed and the back of the form used.

Condition "B." (Substitutions or deviations) is reported where variations from plans and specifications and/or deviations from the applicable Minimum Property Requirements are found to exist, regardless of whether or not costs are affected. When the builder is under contract with a veteran owner, a change order signed by the veteran must be exhibited if this condition is to be checked. In these cases the substitution or deviation is listed with the notation "per veteran's change order."

Condition "C." (Noncompliance, builder will comply without delay) is reported when unapproved variations are found and the builder is willing and able to satisfactorily correct or complete the work during the normal course of construction.

Condition "D." (Noncompliance, builder does not intend to comply) is reported when the builder indicates unwillingness or inability to correct or complete items of noncompliance.

Condition "E." (Dwelling habitable, but completion of certain improvements will be delayed by conditions beyond control) is reported only at third inspection or thereafter; e.g. when all building improvements are complete except a concrete driveway, walk and steps, which cannot be poured because of freezing weather. The regional office will determine if lender's certification is acceptable or inspection by VA compliance inspector is required.

When noncompliance, condition "C," has been checked at first or second inspection, the inspector indicates whether the item to be corrected or completed will be inspected at the next regular inspection or whether reinspection will be required. The check boxes at the bottom of Item 1 are used for this purpose. In these cases reinspection is required when the work to be inspected will be concealed before the next regular inspection. When noncompliance or incomplete work, condition "C" or "E," is reported at third inspection "Reinspection Required" is checked in all cases.

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