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Department of

Veterans Affairs

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Information Bulletin

Loan Guaranty Letter 03-04
262-1

SUBJ: Community Water and Sewer Systems

Purpose

The Department of Veterans Affairs (VA) will no longer review and approve community water/sewer systems for existing construction cases in the states of Alaska, Colorado, Idaho, Montana, New Mexico, Oregon, Utah, Washington, and Wyoming.

Why Is This Change Being Made

This change is being made to align Department of Veterans Affairs (VA) requirements with those of the Department of Housing and Urban Development (HUD) and to provide standardization among the states located within Denver Regional Loan Center jurisdiction.

The Department of Housing and Urban Development (HUD) no longer approves community water or sewer systems and relies on the lender to ensure the systems are licensed and adequate to service the property.

What Is the New Process for Community Water Systems

The appraiser must note on the Uniform Residential Appraisal Report (URAR) that the property is served by a community water system. It is the lender's responsibility to obtain evidence that the community water system is approved by the appropriate state or public utility and health authorities.

What Is The Process For Community Sewage Systems

Properties served by a community sewage system acceptable to the local health authority are also acceptable to VA. If the local health authority has no requirements, United States Public Health Service requirements apply.

Certifications are only required if the appraiser suspects a problem with the system, or problems are customary in the area. In those instances, the appraiser is to condition the

appraisal report for a certification by local health authority, a licensed sanitation engineer, or other qualified individual.

If You Have Questions

If you have any questions regarding this bulletin, please call 1-888-349-7541. Selection one (1) will connect you to the Construction and Valuation Section.

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Loan Guaranty Officer

Distribution: All VA SAR's, Lenders, and appraisers in Alaska, Colorado, Idaho, Montana, New Mexico, Oregon, Utah, Washington, and Wyoming

