

**VA Existing < One Year New Construction
NOT Previously Owner-Occupied
Documentation Requirements For Stick Built and Modular Homes**

EXISTING NEW CONSTRUCTION < One Year Old

Definition: To be eligible for appraisal as "new construction," the property must be fully completed or completed except for customer preference items (such as, interior wall finishes, floor covering, appliances, fixtures and equipment, etc.) and those improvements for which escrows are permitted. See [Escrow Holdbacks](#).

This eliminates the need for construction exhibits.

- Neither construction exhibits nor VA or HUD inspections during construction are required for properties appraised as "new construction."

Note: Appraisal 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. VA, not lenders, will monitor builder compliance with this restriction.

Documentation & Inspection Requirements	Required Prior to Doc	Required Prior to Funding
<p>Valid Builder ID is required prior to a VA Notice of Value being issued. To obtain a valid, VA-assigned builder ID, all of the following must be fully executed, up-to-date and on file at the VA office of jurisdiction:</p> <ul style="list-style-type: none"> • VA Form 26-421 Equal Employment Opportunity Certification • VA Form 26-8791, VA Affirmative Marketing Certification • The identifying information and certifications shown in Builder Information and Certification as worded and in the order shown, and either on the builder's letterhead or attached to a statement on the builder's letterhead which references it. 	X	
<p>Termite Infestation: Existing new construction properties may be treated as "proposed and under construction" properties or existing properties as it relates to Termite Treatment if the property lies in an area where the probability of termite infestation is "very heavy" or "moderate to heavy" according to the Termite Infestation Probability Map in the Council of American Building Officials (CABO). NPMA-99a Subterranean Termite Protection Builder's Guarantee. A properly completed NPMA-99a is required. If the soil is treated with a termiticide, a properly completed NPMA-99b New Construction Subterranean Termite Service Record is required.</p>	X	
<p>Lead/Water Distribution System: Builder to provide certification which identifies this new dwelling and states that the solders and flux used in construction did not contain more than 0.2 percent lead and that the pipes and pipe fittings used did not contain more than 8.0 percent lead. See Safe Water Act Certification form.</p>	X	
<p>Health Authority Approval for water well analysis and/or septic report, if required by the local jurisdictional authority (if applicable)</p>	X	
<p>Energy Efficient Construction: Builder to provide Energy Efficient New Construction Certification which identifies this new dwelling and states that it was constructed to meet the energy conservation standards of the Council of American Building Officials (CABO) 1992 Model Energy Code (MEC).</p>	X	
<p>Flood Certification, Letter of Map Amendment (LOMA), Letter of Map Revision (LOMR), or Elevation Map showing property is NOT located in the 100 year Flood Area. If an Elevation Map is used showing property is NOT located in 100-year flood area, flood insurance is still required until a LOMA or LOMR is provided by FEMA. If flood insurance is not available, the property is not eligible for VA financing.</p>	X	

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<p>Newly completed properties (completed less than one year and never owner-occupied) are eligible if either:</p> <ul style="list-style-type: none"> a. Covered by a one-year Builder's Warranty VA Form 26-1859 Warranty of Completion of Construction and Veteran's Not Inspected Acknowledgment #1 from below; OR b. Evidence of enrollment in a HUD-accepted ten-year insured protection plan and Veteran's Not Inspected Acknowledgment #2 from below; OR c. Built by a veteran, as the general contractor, for his/her own occupancy. d. Exception: An exception may be made for a veteran who wishes to purchase a new home from a builder <i>who is not more than occasionally involved</i> with VA financing and will <i>not</i> provide either a One-Year VA Builder's Warranty or a HUD-accepted ten-year insured protection plan. All of the following will be required: as shown under Veteran's "Not Inspected Acknowledgment" #3 from below, the Builder's Certification #4 from below, and a copy of the documentation issued by the local building authority to verify that construction was acceptably completed, such as a final inspection or occupancy permit. Where local authorities do not perform building inspections, the builder must certify in writing that "The dwelling was not inspected during construction by any State, county or local jurisdiction." <p>#1 Veteran's "Not Inspected Acknowledgment" The veteran purchaser's written acknowledgment that, "I am aware that VA did not inspect this property during construction and that VA assistance with construction complaints will be limited to defects in equipment, material and workmanship reported in writing during the one-year VA builder's warranty period."</p> <p>#2 Veteran's "Not Inspected Acknowledgment" The veteran purchaser's written acknowledgment that, "I am aware that VA did not inspect this property during construction and that it does not qualify for VA assistance with construction complaints."</p> <p>#3 Veteran's "Not Inspected Acknowledgment" The veteran purchaser's written acknowledgment that, "I am aware that this property does not qualify for VA assistance with construction complaints, since it was not inspected by VA during construction. I am also aware that this new property will not be covered by either a one-year VA builder's warranty or a ten-year insured protection plan, as is normally required in this situation."</p> <p>#4 Builder's Certification The builder's written certification that "This company is not more than occasionally involved with VA financing and is aware that this property is being accepted without any VA-required warranty on an exception basis only upon the request of the veteran purchaser. The dwelling was constructed according to standard building practices and is in conformity with all applicable building codes and complies with the energy conservation standards of the 1992</p>		X
<p>Inspection:</p> <ul style="list-style-type: none"> • HUD-92051 Compliance Inspection Report as Final Inspection completed by original appraiser (fee inspector not required under existing construction); OR • An appraisal evidencing property is 100% complete <p>NOTE: In areas where there is no qualified VA or HUD fee inspector, properties cannot be appraised until they qualify as:</p> <ul style="list-style-type: none"> • "New construction" < 1 year old (Reference: See Section 10.08 in VA Lender's Handbook), or • "Existing construction" ≥ 1 year old (Reference: See Section 10.05 in VA Lender's Handbook). 		X