



DEPARTMENT OF VETERANS AFFAIRS
VA Regional Office (26)
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July 21, 2014

In reply refer to: 459/26

LOAN GUARANTY INFORMATION BULLETIN NO. L-14-1

TO: ALL PROGRAM PARTICIPANTS AND FEE APPRAISERS

FROM: Raymond Chang, Loan Guaranty Officer

SUBJECT: LENDER'S HANDBOOK CHAPTER 12.01 MINIMUM PROPERTY REQUIREMENTS (MPRs) VARIATIONS AND EXEMPTIONS

The Loan Guaranty Information Bulletin L-14-1 is to clarify that the Department of Veterans Affairs (VA) may accept unpermitted areas with the following conditions in accordance with lender's handbook/VA Pamphlet 26-7 chapter 12.01 MPR Variations and Exemptions and chapter 12.02.

Where a Building Code is Enforced

If the property is located in a jurisdiction which enforces a State, county or local building code, then VA MPRs require that the construction comply with, the applicable state, county or local building code.

Exemptions

Chapter 12.01 MPR Variations and exemptions may be waived for existing structures with the following documentation:

- (1) Veteran is under contract to **PURCHASE** the property, and
- (2) The veteran and lender request the exemption in writing, and
- (3) The property is habitable from the standpoint of safety, structural soundness and sanitation, and
- (4) VA is satisfied that the nonconformity has been fully taken into account by way of depreciation in the VA valuation.

In addition to satisfying the required conditions above, VA will require:

- (5) A hold harmless letter from both the lender and the veteran stating and showing unpermitted areas. Acknowledgment from veteran that unpermitted area(s) is/are the veteran's responsibility to cure before refinancing/sale of property, and
- (6) Official letter from current licensed contractor, electrician, plumber, or engineer that work was completed in accordance with City and/or County of jurisdiction building codes.

All MPR variations and exemptions will be considered on a case by case basis

Inquiries should be forwarded to Construction and Valuation at appraisals.vbahon@va.gov and Roxanne.Kimm-Yanagi@va.gov.

Sincerely,

Raymond Chang
Loan Guaranty Officer