

# MINIMUM PROPERTY REQUIREMENTS (MPR's) FOR VA LOAN APPRAISALS

- Each living unit must have the space necessary to assure suitable living, sleeping, cooking and dining accommodations and sanitary facilities.
- Mechanical Systems must be safe to operate, be protected from destructive elements, have reasonable future utility, durability and economy and have adequate capacity and quality.
- Heating must be adequate for healthful and comfortable living conditions. Homes with a wood burning stove as a primary heating source must also have a permanently installed conventional heating system that maintains a temperature of at least 50 degrees Fahrenheit in areas with plumbing.
- Each unit must have domestic hot water, a continuing supply of safe and potable water for drinking and other household uses, sanitary facilities and a safe method of sewage disposal.
- Properties with a private well will require a water quality test performed by the Health Authority or a licensed sanitary engineer.
- The appraiser must be able to view the roof. The roof covering must prevent entrance of moisture, and provide reasonable future utility, durability and economy of maintenance. When a defective roof with three or more layers of shingles must be replaced, all old shingles must first be removed.
- The crawl space must have adequate access and be clear of all debris and be properly vented. The floor joists must be sufficiently above the highest level of the ground to provide access for maintenance and repair of ductwork and plumbing. Any excessive dampness or ponding of water in the crawl space must be corrected. Ventilation of structural spaces such as attics and crawl spaces must be provided to reduce the affect of excess heat and moisture.

## Did you know?

Wood Destroying Organism (WDO) inspections - also known as termite inspections - are not required for VA loans in most of the state of Colorado.

- The property must be free of hazards which may adversely affect the health and safety of the occupants, adversely affect the structural soundness of the dwelling or impair the customary use and enjoyment of the property by the occupants.
- Defective conditions that are unacceptable include defective construction, poor workmanship, evidence of continuing settlement, excessive dampness, leakage, decay and termites (in which case VA will require an inspection of the property by a wood destroying insect inspector.)
- Lead-based paint constitutes an immediate hazard that must be corrected unless testing shows that lead is not present in the paint at a level above that permitted by law.
- If the property has a shared well it must be capable of providing a continuous supply of safe and potable water to each property simultaneously, so that each dwelling will be assured enough water for all domestic purposes. There must be a permanent easement which allows access for maintenance and repair. There must be a well sharing agreement which makes reasonable and fair provisions for maintenance and repair of the system and sharing those costs. It must be binding upon the signatory parties and their successors in title and it must be recorded in local deed records.
- Manufactured homes must be properly attached to a permanent foundation system which is constructed to withstand both supporting loads and wind-overturning loads and is acceptable to the building authority having jurisdiction.
- Any frayed or exposed electrical wire must be repaired.

### **The most common deficiencies flagged on VA appraisal reports in Colorado:**

- Peeling exterior paint on older homes
- Loose/broken/rotting steps on decks/porches
- Cracked/broken/stuck windows
- Egress windows in basement missing covers
- Missing railings on stairs

- Detached sheds or other improvements on the site may be included in value if they meet VA requirements. If the improvement does not meet VA requirements it must be excluded from the value. If the improvement presents a health or safety hazard, the appraisal must be completed subject to the removal of the improvement.
- Any nonresidential use of the property must be subordinate to its residential use and character and must be less than 25% of the total floor area and it cannot impair the residential character of the property.
- If the property has burglar bars, at least one window per bedroom must have a quick-release mechanism, unless there is an exterior door from the bedroom providing rapid egress. If the appraiser is not able to confirm that quick release mechanisms are in good working order, they will require the removal of the burglar bars as a safety consideration.
- Whenever a property is located near an airport, appraisers must consider the effect on value of any airport noise and select comparable sales, if available, with the same airport influence.
- No part of the residential structure may be located within a high voltage electric transmission line easement. Any detached improvements even partially in a transmission line easement will not receive value for VA purposes. If the property is within 100 feet from the nearest boundary of a high voltage electric transmission line easement, the appraiser must comment in the appraisal.
- VA will consider waiving MPR requirements if the request is signed by the Veteran, the lender concurs with the Veteran's request and the property is habitable from the standpoint of safety, structural soundness and sanitation. These requests should not allow for the Veteran to waive MPR's that could result in safety issues with the home.

### **Did you know?**

VA appraisals have turn time requirements and must be completed within a specific number of days. This turn time, and the price for the appraisal, varies by region.

- If the property contains a pool, the appraiser must report any readily observable defects that would render the pool inoperable or unstable. Depending on the extent of the damage, the appraiser must prepare the report subject to the repair of the pool and include the pool value or prepare the appraisal subject to permanently filling in the pool, in accordance with local guidelines and re-grading the yard, if necessary.
  
- If the property is located within 300 feet of an above-ground or subsurface stationary storage tank with a capacity of 1,000 gallons or more containing flammable or explosive material, the appraiser must report this information in the appraisal. This includes storage tanks for domestic and commercial uses as well as automotive service station tanks.
  
- More than one parcel or lot may be included as long as all of the property is contiguous and legally marketable. VA does not set a limit on the number of acres that the property may have. If the property being appraised includes more than one parcel, the appraisal must be prepared subject to placing all the parcel on one deed.
  
- If the property is divided by a road or waterway, the appraiser must determine the effect on the utility of the property to ensure that the property is a readily marketable real estate entity.

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