

MINIMUM REQUIREMENT CHECKLIST FOR VA

1. MARKETABLE REAL ESTATE

The home must be a single dwelling (which may include a multi-family dwelling with two to four units) that's legally considered real estate & "readily marketable." That last bit means that the home can easily be sold later. So it shouldn't be likely to sit around for years waiting for a buyer to turn up. You may be able to buy more than one parcel of land but they need to be "contiguous." That means they adjoin each other. If there's a road or waterway separating the parcels, the VA appraiser has to assess how that impacts the usefulness & saleability of the property.

2. SPACE & CONSTRUCTION REQUIREMENTS

The home must be big enough for you & any other residents to live, sleep, cook & eat. It'll also need sanitary facilities. If its construction is unusual (for instance log homes, homes with an earth roof, or properties in a dome shape), it must still comply with local building codes. & the VA appraiser has to work out whether its out-of-the-ordinary qualities will make it less marketable when the time comes to sell again.

3. ACCESSIBILITY

You must be able to access the home with a vehicle or as a pedestrian safely all year round. That access may be from a public or private road. However, if neighbors share the private road, there may be legal issues. The VA loan program wants to see a fair, enforceable agreement about who pays for maintenance. Additionally, you must have a permanent legal right to gain access. So, if you have to pass over other people's land to get to your home, there must be an "easement" (a legal right to trespass) already in place. There are also access rules concerning row houses & those built on the property line. These mostly concern accessing your backyard (it's fine if you can only do so through the home) & being able to maintain the exterior.

MINIMUM REQUIREMENT CHECKLIST FOR VA (CONT.)

4. ENCROACHMENTS

Suppose a neighbor is “encroaching” (intruding) on the home. Maybe they’ve built a fence or part of a garage a foot on your side of the boundary. Or they might have a roof that extends over it. Or perhaps your seller is encroaching on a neighboring property. Either way, the appraiser must report it. & someone will have to resolve the issue before you’ll get your VA loan.

5. DRAINAGE & TOPOGRAPHY

Drainage rules are exactly what you’d expect. Waste & surface water must flow off your site quickly & positively. & it mustn’t “pond” (form pools) on your land. Topography concerns physical threats to your site. So it mustn’t be subject to mudslides, avalanches or similar from neighboring properties.

6. GEOLOGICAL OR SOIL INSTABILITY, SUBSIDENCE & SINKHOLES

This concerns geological risks posed by your own property. & the only thing worse than your appraiser spotting these issues is when they miss them. Because you really don’t want to discover you have mudslides or sinkholes when you already own the home. & the same goes for “subsidence” (the gradual caving in or sinking of an area of land), which can undermine the home’s foundations in a very expensive way. Suppose your appraiser suspects any of these to be risks. Then you or the owner will need to hire an expert geologist to say something different. And, if there’s evidence of existing damage to the home from such causes, a licensed contractor will have to fix it before you get a VA loan.

7. SPECIAL FLOOD HAZARD AREA

If you want to buy a home or plot that floods regularly, you won’t get a VA loan. There are restrictions even if it doesn’t flood, but is in a high-risk area.

MINIMUM REQUIREMENT CHECKLIST FOR VA (CONT.)

FEMA designates special flood hazard areas (SFHAs). You can still buy a home in one of these, but only if you buy flood insurance. Note that flood insurance is not included in standard homeowners insurance policies & must be purchased separately. If the home's uninsurable or you can't get that insurance, the VA won't guarantee your loan. That last paragraph applies in almost all SFHAs. But it doesn't (you won't need flood insurance) if your home's in those zoned B, C, X or D by FEMA.

8. NON-RESIDENTIAL USE

VA minimum property requirements don't bar you from buying a home that doubles up as your workplace. But it does impose conditions. The property must primarily be for residential use. So you can't purchase a huge warehouse with a tiny home in the corner. & your local authority must be cool with the business use you intend. So the property must either be correctly zoned or the authority must acknowledge its acceptance of your non-conforming use.

Three more rules:

- The business use mustn't detract from the residential character of the property
- Only one business is allowed to operate from the home
- The VA appraiser mustn't add value for business use or commercial fittings when determining how much the home is worth