

# Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

September 12, 2014 • COR14-095



Alert

**Update**

Reminder

Clarification

Training  
Information

Preview

## Elimination of Fee Compliance Inspections for VA

SunTrust Mortgage, Inc. removes references to Veterans Administration (VA) compliance inspectors and VA Form 26-1839 from guidelines.

### Intended Audience

<b>Origination Processing</b>	Secondary Marketing	<b>Underwriting</b>	<b>Closing Delivery Funding</b>	Compliance Legal	Other
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### Effective Dates

**Friday, September 12, 2014**  
Effective for new and existing loan applications on or after this date.

### Background Information

VA Circular 26-06-01 announced that due to local authorities adoption of comprehensive building standards and inspections during construction of residential properties, VA no longer required fee compliance inspections or VA Form 26-1839, the VA Compliance Inspection Report.

### Bulletin Details

#### Inspections and Warranty Requirements

Properties appraised as proposed or under construction without an insured ten year protection plan, but include the one-year builder's warranty, require one of the following:

- The local authority performs the required foundation, framing, and final inspections and issues a Certificate of Occupancy (CO) or equivalent. VA accepts the CO as evidence of local authority inspections and satisfactory completion of construction.
- The local authority performs the required foundation, framing, and final inspection but does not issue a CO or equivalent. VA will accept copies of the inspection reports, which verify full compliance with local building codes, or a written statement from the local authority stating the required three inspections were performed satisfactorily as evidence of satisfactory completion of construction.

### Action Required

**Origination, Processing,  
Underwriting, Closing, Delivery,  
and Funding**  
**Friday, September 12, 2014**  
Follow published guidance.

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## Bulletin Details, continued

### [Inspections and Warranty Requirements, continued](#)

When the property is appraised as proposed or under construction with an insured ten year protection plan and a one-year builder's warranty, and the local authority does not perform the construction inspections, the lender must certify the property is 100% complete, both on-site and off-site improvements, and it meets VA's Minimum Property Requirements for existing construction.

Guidance for properties appraised as existing construction with major alterations, improvements, or repairs remains unchanged, with the exception of removing references to VA compliance inspectors and VA Form 26-1839.

### Revised Material

Click [Veterans Administration VA Loan Program](#) to view the revised material.

## Former Guideline

Previously, guidance contained references to VA fee compliance inspectors and VA Form 26-1839.

## Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Direct contact information for each correspondent relations coordinator is located in General Section 1.01: The Correspondent Division
Emerging Banker Account Executive	Specific questions on applying this procedure to specific loan files. Direct contact information for each account executive is located in General Section 1.01: The Correspondent Division.
Resource Center	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact the Resource Center at 800.382.2111, Option 1, Option 2.

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