

Property Inspection Requirements for COVID-19 Forbearance Cases

1. Purpose and Background. In response to the COVID-19 national emergency, the Department of Veterans Affairs (VA) suspended certain property inspection requirements on June 8, 2020. The purpose of this Circular is to extend the suspension.

2. Property Inspection Requirements. VA regulation found at 38 C.F.R. § 36.4350(i)(1)(i) requires that, when a VA-guaranteed loan is delinquent, the loan servicer must complete a property inspection before the 60th day of the delinquency, or before initiating action to liquidate the loan, whichever is earlier, unless a repayment plan is in place. Due to the COVID-19 national emergency, VA is suspending the requirement to perform these property inspections when both of the following criteria are met: (1) the loan is subject to a COVID-19 related forbearance, and (2) the loan was not 60 or more days delinquent when the borrower requested the COVID-19 related forbearance.

3. Rescission: This Circular is rescinded October 1, 2022.

By Direction of the Under Secretary for Benefits

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