

DEPARTMENT OF VETERANS AFFAIRS

St. Petersburg Regional Office
9500 Bay Pines Blvd
St. Petersburg FL 33744
1-877-827-3702 menu option 4 for SAH

Agent extension 317 _____

SPECIALLY ADAPTED HOUSING

DO NOT enter into any agreement or have any construction or remodeling started without contacting the SAH Agent in advance. Unapproved adaptations may not be reimbursable and may jeopardize your grant approval.

INTRODUCTION

We are pleased to inform you that you have been determined eligible to receive the Specially Adapted Housing (SAH) grant from the Department of Veterans Affairs. The purpose of the SAH grant is to provide financial assistance in obtaining housing adapted for your special needs. It is important to understand that while you are now eligible for the SAH grant, **you will not receive grant funds until your grant is APPROVED by your SAH Agent.** To obtain grant **APPROVAL**, select one of the four plans on the attached documents and provide the required exhibits noted for that plan type. Your SAH Agent will help you decide which plan is best for you and what documents are required.

Your SAH benefit is a grant and not a loan. Therefore, no repayment obligation is associated with this program. The maximum grant amount is currently set at \$109,986.00. **However, the awarded grant amount varies and is determined by the plan type and calculation of the grant.** Not all veterans will receive the full \$109,986.00. We strongly recommend you take your time when planning your housing needs for both now and the future. There is no time limit for this grant. It will be available to you at any point during your lifetime and can be used anywhere in the United States and its territories.

You have the freedom to choose the licensed contractor or builder you wish to use for your project. It is very important that you take time when selecting your builder or contractor. **VA is not a third party to any contract you sign.** Therefore, it is very important that you research the contractor you select. Randomly selecting a contractor out of the phone book is not recommended. Ask neighbors or family for recommendations. Ask your contractor for references and check your contractor out with the Better Business Bureau and the State Licensing Office. The information sheet titled "Is Remodeling for Me" included in your interview packet will provide more information relating to selecting contractors and builders.

Three firm bids will be required from contractors of your choice setting forth fixed maximum prices, binding for not less than 60 days from the origination date, specifying plans and specifications. **All arrangements made or contract entered into by you should, in every case, include a stipulation that if approval of the grant for financial assistance from VA is not obtained, the contract shall not be binding**

upon the veteran, and earnest money, down payments, and other deposits will be returned to the veteran. A form titled “VA Addendum” contains this statement (escape clause) and will be provided to you and your contractor for signature. Your contractor must also agree in writing that the construction or remodeling will be subject to periodic inspections and final approval by a VA Compliance Inspector and SAH agent.

Plans are critical to the grant approval process, as they illustrate the proposed adaptations that will be completed during construction. Construction plans are usually required for all cases although the exhibits and levels of detail within the required construction plans depend upon the type and scope of the proposed project. Plans must display all Minimum Property Requirements (MPRs) and include location of ramps, grab bars, walks, etc. A copy of the MPRs is included with your interview packet.

The Specially Adapted Housing Grant will provide payment assistance for approved work up to \$109,986.00. All costs for work in excess of the maximum grant amount are your specific responsibility. Commitments or assurances will be required covering necessary arrangements to finance costs more than the grant amount.

If you have any questions or concerns about this program, please do not hesitate to contact us.

PLAN TYPES AND REQUIRED DOCUMENTS

PLAN 1

Plan 1 allows a veteran to construct a house on land to be purchased by the veteran. The grant amount *cannot* exceed 50% of the veteran's total cost of the house and land, up to the maximum grant amount.

What is Required for Grant Approval Under Plan 1?

1. Lot Inspection by the SAH Agent.
2. Completed VA Form 26-4555c.
3. Three bids from three different builders on the proposed construction.
4. Contract from desired builder containing the VA Escape Clause (see VA Escape Clause attachment for details).
5. VA Addendum to the contract signed by the builder and veteran.
6. Preliminary floor plans for your SAH agent to review. Final new construction plans required will include a Plot plan, Foundation plan, Wall Detail, Floor plans, Interior and Exterior Elevations (not required but are useful to communicate project details), and Electrical and Mechanical plans (not required but are useful to communicate project details). Final plans will need to be signed by the Veteran and builder/contractor.
7. Description of Materials List or Form (VA Form 26-1852) to be signed by the builder and veteran.
8. Loan Commitment Letter and Good Faith Estimate from your desired lender.
9. Title Insurance Policy or Title Commitment (see Title Insurance attachment for details).
10. Appraisal of your proposed home, usually obtained by your lender.

As soon as possible, provide your SAH Agent the contact information of your desired Builder and Mortgage Lender. We must coordinate with all parties early in the process. Do not enter into any agreement or have any construction started without contacting your SAH Agent. Unapproved projects may not be reimbursable and may jeopardize your grant approval.

PLAN 2

Plan 2 allows a veteran to construct a house on land he/she already owns, so long as the land is suitable for SAH. The grant amount *cannot* exceed the smaller of the following sums: 50% of the veteran's total costs of the house and land, or 50% of the veteran's cost of the house and the full, unpaid balance of the land up to the maximum grant amount.

What is Required for Grant Approval Under Plan 2?

1. Lot Inspection by the SAH Agent.
2. Completed VA Form 26-4555c.
3. Three bids from three different builders on the proposed construction.
4. Contract from desired builder containing the VA Escape Clause (see VA Escape Clause attachment for details).
5. VA Addendum to the contract signed by the builder and veteran.
6. Preliminary floor plans for your SAH agent to review. Final new construction plans required will include a Plot plan, Foundation plan, Wall Detail, Floor plans, Interior and Exterior Elevations (not required but are useful to communicate project details), and Electrical and Mechanical plans (not required but are useful to communicate project details). Final plans will need to be signed by the Veteran and builder/contractor.
7. Description of Materials List or Form (VA Form 26-1852) to be signed by the builder and veteran.
8. Loan Commitment Letter and Good Faith Estimate from your desired lender.
9. Title Insurance Policy or Title Commitment (see Title Insurance attachment for details).
10. Appraisal of your proposed home usually obtained by your lender.
11. Original purchase data for the lot (original deed of purchase).
12. Property tax statement (showing taxes are not past due).

As soon as possible, provide your SAH Agent the contact information of your desired Builder and Mortgage Lender. We must coordinate with all parties early in the process. Do not enter into any agreement or have any construction started without contacting your SAH Agent. Unapproved projects may not be reimbursable and may jeopardize your grant approval.

PLAN 3

Plan 3 allows a veteran to adapt his/her existing house or a house he/she will purchase that is not currently adapted, so long as it is feasible to meet all SAH Minimum Property Requirements (MPRs). Under this plan, you will always receive the total cost of your remodel project up to the maximum grant amount. A calculation must be completed by your SAH Agent to determine the amount of grant you will receive.

What is Required for Grant Approval Under Plan 3?

1. Site feasibility inspection by the SAH Agent.
2. Completed VA Form 26-4555c.
3. Mortgage Statement (most current showing no past due amount). If you don't have a mortgage, please make that clear on VA Forms 26-4555c and 26-6807.
4. Three bids from three different remodel contractors for the proposed construction.
5. Contract from desired Contractor containing the VA Escape Clause (see VA Escape Clause attachment for details).
6. VA Addendum to the contract signed by the contractor and veteran (this form has the VA Escape Clause included).
7. A scope of work and cost breakdown from your selected contractor.
8. Floor plans:
 - a. Renovations with an Addition
 - i. Preliminary floor plans for your SAH agent to review. Final new construction plans required will include a Plot plan, Foundation plan, Wall Detail, Floor plans, Interior and Exterior Elevations (not required but are useful to communicate project details), and Electrical and Mechanical plans (not required but are useful to communicate project details). Final plans will need to be signed by the Veteran and builder/contractor.
 - b. Renovations without an Addition
 - i. Only floor plans are required illustrating all adaptations being completed. Veteran and contractor must sign the final plans.
9. Description of Materials List or Form (VA Form 26-1852) to be signed by the contractor and veteran.
10. Copy of your **original** purchase contract for your home or HUD-1 Settlement Statement.
11. Property Tax Statement (showing no past due taxes). If Veteran is not listed on the most current property tax statement, please provide a copy of the Deed showing when Veteran purchased the home.

Plan 3 continued

As soon as possible, provide your SAH Agent with the contact information for your desired remodel contractor. We must coordinate with all parties early in the process. Do not enter into any agreement or have any construction started without contacting your SAH Agent. Unapproved projects may not be reimbursable and may jeopardize your grant approval.

PLAN 4

Plan 4 allows a veteran to use the grant for a home that he/she purchased or will purchase that meets all SAH Minimum Property Requirements (MPRs). The grant amount *cannot* exceed the *smaller* of the following sums: 50% of the veteran's cost of the house and land, OR the full amount of the unpaid balance, if any, of the cost of the house and land up to the maximum grant amount.

Note: If there is no mortgage balance, the veteran is not eligible for the grant for that specific house, however, the grant can be used on a subsequent house.

What is Required for Grant Approval Under Plan 4?

1. Site inspection by the SAH Agent to verify that all MPRs have been met.
2. Completed VA Form 26-4555c.
3. VA Form 26-6807, Financial Statement
4. Copy of the home purchase contract or HUD-1 Settlement Statement.
5. Copy of current mortgage statement.
6. Property Tax Statement (showing no past due taxes). If Veteran is not listed on the most current property tax statement, please provide a copy of the Deed showing when Veteran purchased the home.
7. Statement from you giving VA permission to send grant funds to your lender.

ATTACHMENTS

BIDS: Veterans must obtain three competitive bids (proposals) for SAH cases under Plans 1, 2 and 3. Bids must be fixed, have maximum prices **AND** be related to the proposed construction or remodeling. Bids are obtained from licensed contractors of the Veteran's choice. They must agree to SAH grant requirements.

CONTRACTS: After the veteran obtains three bids, he/she will select one for the project. At that time, a formal contract will be signed. All contracts must be fixed and include the following:

- the parties to the contract and specified roles, along with signatures of all parties and the dates of signatures.
- the address of the subject property.
- a reference to specific plans and specifications.
- the terms and cost of the project.
- a scope of work.
- the estimated time to complete the project; and
- VA conditions (see below)

1. **VA ESCAPE CLAUSE:** All contracts for the SAH Grant program must include the VA Escape Clause shown below:
 - a. "This contract is conditioned in its entirety upon the Veteran receiving a grant under Title 38 U.S.C. Chapter 21 and if this Veteran does not receive this grant, this contract is null and void and any and all monies will be returned without exception."
2. **Warranty:** The builder must provide a 1-year warranty from the date of final construction completion.
3. **Compliance Inspection Acknowledgement:** "Upon grant approval, both parties agree that the construction of specially adapted features will be subject to VA compliance

inspection(s) to assure conformity with the approved plans and specifications, to include a final field review by VA personnel. If payments are to be made subject to a disbursement schedule, a minimum 20 percent holdback of grant funds is required and will only be released subject to satisfactory completion of the final field review. These inspections are not to be substituted for local building permit inspections.”

4. Change Order Acknowledgement: “Substitutions or deviations to the plans and specifications must be approved by VA in advance. The builder and the Veteran must request approval of any substitutions and deviations using a change order. The change(s) and any monetary effect on the original contract must be clearly shown. Failure to obtain approval by VA for substitutions and deviations in advance may result in construction delays, payment delays, and/or disputes between parties.”
5. Construction Start Date Acknowledgement: “Construction may not begin until VA has provided authorization. The construction will be completed approximately ____ days after the construction start date.”

TITLE INSURANCE/TRUST AGREEMENT: For some projects, VA Regional Counsel may need to review a copy of your Title Insurance Policy or Trust Agreement. Please get with your SAH agent to check to see what may be required.

Title insurance offers financial protection against hidden hazards that can emerge after you purchase your home. Common problems include mistakes in the public record, previously undisclosed heirs claiming to own your property, or forged deeds. The insuring company will negotiate with third parties and pay claims and the legal fees involved in defending the title should a problem arise.