



## CALVET HOME LOAN APPLICATION PACKAGE

This package contains forms and instructions for applying for a CalVet Home Loan. If you have not yet selected a property, or the offer is not yet accepted, you should apply for a CalVet Pre-Approval. A pre-approval package can be obtained from either our website at <http://www.calvet.ca.gov/homeloans> or by contacting us at **1-800-952-5626**.

### Before You Begin:

If you have a property selected, and have an accepted purchase contract, we suggest that you carefully review the material either enclosed or on the CalVet Home Loan Program on our web site at <http://www.calvet.ca.gov/homeloans>. If you have questions feel free to e-mail us at [loanserv@calvet.ca.gov](mailto:loanserv@calvet.ca.gov) or call us at **1-800-952-5626**.

### Information Forms:

- **Thank You for Choosing CalVet** – This information pages summarizes the features and eligibility requirements of the CalVet Home Loan Program.
- **Loan Terms** - This document contains the current loan terms, origination / funding fees and interest rates associated with the selected loan program.
- **CalVet Home Loan Application Instruction Sheet** - These instructions explain how to submit the application forms in this package, and what additional information you will need to send to CalVet.
- **Special Notice Regarding your CalVet Home Loan Application** - This notice explains limitations that the Internal Revenue Service places on funds used for financing a home with a CalVet Home Loan. It also contains the notice required by the California Information Practices Act of 1977 (which concerns how CalVet may use the information that you submit to us).
- **Minimum Property Standards** - This document summarizes the standards that properties purchased with a CalVet Home. If you have questions about these requirements, please contact CalVet at <http://www.calvet.ca.gov/homeloans> or call us **1-800-952-5626**.
- **Property, Disaster, Life And Disability Mortgage Protection Insurance** - This form provides information regarding the insurances offered through CalVet.

### Forms to Include in your Application Package:

- **Uniform Residential Loan Application** - used by most lenders to collect the information necessary for loan processing. For ease in completion, you may also use the fillable .pdf version located on our CalVet website <http://www.calvet.ca.gov/homeloans>. *Please note, on page 4, section IX, that reads “(2) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage or deed of trust on the property described in this application;” however, this is incorrect; your loan is a contract of sale.* More information regarding the contract of sale is in the program information provided upon receipt of your home loan application.
- **CalVet Home Loan Origination Fee/Funding Fee** - This form allows you to consider your options for payment of the Loan Origination Fee and CalVet/USDVA Funding Fee.
- **Borrower’s Authorization** - This form is used to authorize CalVet to obtain verifications of your income, employment, assets, military records and other credit matters.
- **Fair Lending Notice** - This notice explains your rights under the Housing Financial Discrimination Act of 1977. Review and sign this form.

- **Buyer's Information** - This provides CalVet information which may not be included on other forms.
- **Application Checklist** – This form will help ensure you have provided CalVet with all the documents needed, to include those anticipated in underwriting.
- **Miscellaneous CalVet & VA forms** – These forms are general forms required by CalVet and the USDVA, and may or may not be required based on the loan program assigned. Completion of the forms aid in the timely processing and funding of your loan.
  - VA-26-1802
  - VA-Real Estate Certification Form
  - VA-Certification
  - Purchaser's Affidavit
  - Seller's Affidavit

**The following forms are optional:**

- **Designation of Agent and General Release** - You may designate another person to act as your agent in connection with the processing of your CalVet Home Loan application. CalVet may then discuss details of your transaction with your agent. This form is for processing your loan, and you may need to complete an additional form after funding if you wish to continue to allow CalVet to speak to a designation of agent.
- **Early Appraisal Request** – CalVet will not order your appraisal until after your loan has been approved, and typical turn around time for appraisals is 10 business days. If time is of the essence in your transaction, you may wish to have your appraisal ordered earlier in the processing of your loan. Simply complete the **Early Appraisal Request** form, and return it to CalVet with the appropriate appraisal fees, which will be disclosed to you on your Good Faith Estimate (GFE). The GFE will be mailed to you within three business days after receipt of your loan application in our loan processing group.



## CALVET LOAN APPLICATION INSTRUCTION SHEET

These instructions will assist you in completing and gathering the necessary documents to submit with your application. There could be additional documentation requested once your loan application is reviewed. When original documents are requested, we will make certified copies and return your originals. If you are married or have a registered domestic partner, he or she must also complete, sign and date the application, forms, and disclosures. Please use ink, preferable blue, for completion & signatures of the forms being returned to CalVet. Please contact us if you have questions at [loanserv@calvet.ca.gov](mailto:loanserv@calvet.ca.gov) or call us at **1-800-952-5626**. Additionally, you may check our website for any additional information at <http://www.calvet.ca.gov/homeloans>.

### Fees

- 1) These fees are charged for all CalVet Home Loans.
  - a) An Appraisal Fee: The typical cost of the appraisal for existing properties is \$450; for existing condominiums, \$475; and for re-inspection, \$100. Complex cases and properties in remote locations may increase the fee or include a mileage charge. We will advise you when to send the payment for the appraisal. Please make the check payable to the California Department of Veterans Affairs. Appraisal fees are **non-refundable**.
  - b) A Loan Origination Fee of 1% of the base loan (the loan amount after deducting your down payment) is charged and collected at close of escrow.
  - c) A Funding Fee (mortgage insurance) is charged on all loans and either collected at the close of escrow, or some programs this fee can be included in your final loan amount.

### Application, Forms and Disclosures

- 2) Submit your completed Uniform Residential Loan Application (Form 1003) then sign pages 1, 4 and 5. Answer all questions completely. Mark questions that are not applicable "N/A." This form may be completed and submitted on our website at <http://www.calvet.ca.gov/Files/HomeLoans/AppForms.pdf> and printed out for your signature.
- 3) Read, sign, date and return the following forms:
  - a) Fair Lending Notice and Word of Caution
  - b) Borrower's Authorization
  - c) Debt Questionnaire (VA 26-0551).
- 4) (Optional) Designation of Agent and General Release. Submit this form if you wish to have another individual act on your behalf and receive loan correspondence during the processing of your loan.

### Your Financial Information

- 5) Submit income verification for all income sources listed on your application.
  - a) For salaried individuals, submit original and most recent, consecutive pay stub(s) covering at least one full month income, plus your W-2s for the past two years
  - b) If self employed, submit current year-to-date financial statements including a profit and loss statement and balance sheet, and copies of your complete federal income tax returns with applicable schedules and statements (Form 1040) for the past two years. Provide most recent 2 years corporate or partnership tax returns (e.g. forms 1120, 1120s, 1065 w/ K-1s) if applicable. Business bank account statements may also be required.
  - c) Other types of income:
    - i) Current award letter for retirement, VA compensation or Social Security
    - ii) Current interest or dividends earned from funds remaining after close if ongoing for at least five years and past two years federal tax returns confirming history

- iii) If you choose to use alimony or child support to qualify for the loan, provide verification of receipt for the most recent 12 months receipt with complete, filed court documents and the past two years tax federal returns confirming receipt of alimony.
- 6) Submit complete, original bank statements for the past two consecutive months for all accounts holding funds for the down payment or closing costs, and a certified copy of the earnest money deposited into escrow. If there are large or unexplained deposits, documentation supporting the source of these funds will be requested.

### **Military Eligibility Documentation**

- 7) You must meet CalVet eligibility requirements, and to qualify for the VA loan guaranty, you must also meet the United States Department of Veterans Affairs (USDVA) eligibility criteria and have adequate remaining entitlement to guaranty the CalVet loan. Some veterans are not eligible for both the CalVet loan and the VA loan guaranty. To aid in determining your eligibility, please submit the following documents.
  - a) Provide a legible copy of your military discharge document (Notice of Separation from Armed Forces - Form "DD214"). This copy must reflect your character of service (Honorable discharge), branch of service and dates of service. If you are still on active duty and have never received a "DD214," submit a Statement of Service signed by your commanding officer that includes the branch, dates and character of service. If you need to obtain copies of your military records, you can do so at the National Archives & Record Administration website (<http://www.archives.gov/research/order/standard-form-180.pdf>)
  - b) Your original VA Certificate of Eligibility (VA 26-8320) issued by the USDVA and not more than 3 months old. If you do not have your VA Certificate of Eligibility, complete and submit an original Request for Determination of Eligibility (VA 26-1880). This form authorizes CalVet to request your Certificate of Eligibility electronically or by mail from the USDVA, if required.

### **Property Forms, Reports and Disclosure Statements**

- 8) Submit a complete copy of the Purchase Agreement and Joint Escrow Instructions including all Counter Offers and Addenda, together with the Real Estate Transfer Disclosure Statement (TDS) and the Agent's Visual Inspection Disclosure Statement (AVID) from both real estate agents for the subject property, executed by all parties. If the sales agreement was signed by a power of attorney, as is often the case in REO or foreclosure sales, provide documentation authorizing the signer(s) to execute the sale documentation.
- 9) Provide the name, address, and escrow number of the company handling your escrow.
- 10) Submit a copy of a Preliminary Report of Title and plat map covering the subject property, not more than 3 months old. Both the title and escrow companies you have chosen must be approved by CalVet.

### **The Following Items May Be Requested After Loan Approval**

- 11) Life & Disability Insurance: All veteran applicants **under the age of 62** must participate in the mandatory life insurance program and must complete and submit a medical history statement directly to The Standard Insurance Company. You may apply for optional supplemental life insurance and/or disability insurance, and your spouse or domestic partner may apply for life insurance. The application package will be provided to you at the time you receive your final loan approval. Additional information and the Medical History Statement are available on our website.
- 12) Secondary Financing Documents: If the maximum CalVet loan is not adequate to purchase the property submitted, secondary financing may be permitted to assist in the purchase. The combined CalVet loan and secondary financing must not exceed the appraised value of the property (as determined by CalVet). If secondary financing is used, you will be required to submit a copy of the Note and Deed of Trust, and CalVet's Subordination Agreement signed by the secondary lender. NOTE: CalVet will participate with most Community Housing down payment assistance programs.
- 13) Termite Report: If the dwelling is more than 1 year old or has been previously occupied, CalVet will require a termite report and clearance. The report must not be over 3 months old.
- 14) Roof Inspection Report: A roof inspection completed by a licensed roofer may be required if recommended by the appraiser or the termite inspection report, or it may be required by the CalVet underwriter.
- 15) Well/Septic Systems: If the dwelling you are purchasing has private water and/or sewage disposal, you will be required to obtain an inspection verifying the adequacy of the systems.

- 16) Permits/Building Code Compliance Inspection: If the dwelling you are purchasing has had additions or substantial remodeling, CalVet may require copies of building permits or, in some cases, a code compliance inspection and clearance.
- 17) Condominium/Planned Unit Development: The project must be approved by USDVA. Condominium / planned unit development property types with blanket fire insurance policies cannot be covered under CalVet's master hazard and fire insurance policy; however the property will be covered under the disaster indemnity program for flood and earthquake damage. You will be advised of the required amount of coverage after receipt of the appraisal.
- 18) Manufactured Home on Land: If you are purchasing this type of property, you may be required to place the mobile home on a permanent foundation and furnish a copy of the recorded HCD Forms 433(a) and 513(c) as evidence that this requirement has been completed. You must also obtain your own hazard and fire insurance coverage. Manufactured housing cannot be covered under CalVet's master hazard and fire insurance policy; however, the property will be covered under the disaster indemnity program for flood and earthquake damage. You will be advised of the required amount of coverage after receipt of the appraisal.
- 19) Mobile Home in a Rental Park: (Additional downpayment, loan amount and interest rate parameters apply, be sure to check CalVet's current program information for specific details)
  - a) Submit the name of the rental park, name and phone number of park manager, copies of the proposed rental agreement, park rules and regulations, space number and address, amount of monthly space rental, map of the park and a copy of the Manufactured Home Sales Agreement (if a used mobile home), or a copy of the Purchase Order (if new).
  - b) Advise whether the mobile home is used or new, and whether the mobile home is already in place on the space. If the mobile home is new, notify CalVet when it will be installed and you will need to submit a certified copy of the Manufacturer Certificate of Origin when delivering the coach to the site.
  - c) If a used mobile home, submit a Formal Title Search with Escrow Opening from the Department of Housing and Community Development (HCD). Additionally, there are requirements that the age of the coach not exceed CalVet's current parameters.
  - d) You must also obtain your own hazard and fire insurance coverage. Manufactured housing cannot be covered under CalVet's master hazard and fire insurance policy; however, the property will be covered under the disaster indemnity program for flood and earthquake damage. You will be advised of the required amount of coverage after receipt of the appraisal.
  - e) If the mobile home has had structural modifications, you may be required to provide evidence that the modifications were completed in accordance with appropriate building codes.

### **Minimum Property Standards**

All properties submitted for CalVet financing must comply with CalVet's minimum property standards published on the CalVet Home Loans website at <http://www.calvet.ca.gov/homeloans/MPS.aspx>. A copy is included in this loan application package. These standards are to protect you and the CalVet Home Loan program from conditions that may affect the utility and marketability of the property. Our goal is to assist you in purchasing a property that will be a home for you and your family and an investment in your future.

CalVet Home Loans and the Department of Veterans Affairs of the State of California do not warrant the condition, desirability, suitability, or actual value of the property you are purchasing, such determinations being entirely the responsibility of the purchaser. You are encouraged to inspect the property thoroughly, review the seller's TDS / agent's AVID disclosure statements, and obtain any inspection reports that you deem necessary.

Appeals: Persons who disagree or are dissatisfied with actions taken or decisions made regarding their application may appeal to the Division Chief, Farm and Home Purchases Division, P.O. Box 942895, Sacramento, CA 94295. If the problem is not resolved satisfactorily at that level, it may qualify for an appeal to the California Veterans Board. Further information regarding the appeal procedure is available upon request.



## THANK YOU FOR CHOOSING CAL-VET

You will be pleased with your selection of CalVet financing for the purchase of your home. CalVet has many features and benefits that will save you money and provide protections for you and your investment. We want to make it as convenient as possible for you to apply for a CalVet Home Loan.

- You can apply directly to CalVet, or use a mortgage broker. You can download the home loan application package from our website or CalVet can mail one to you by contacting us at [loanserv@calvet.ca.gov](mailto:loanserv@calvet.ca.gov) or **1-800-952-5626**.
- If you have a real estate agent, you may wish to have them be active in the processing of your loan. It is optional to designate them to act on your behalf.

### The CalVet Loan

CalVet is an authorized VA lender and can provide a VA guaranteed loan to eligible veterans. You must be eligible for the full VA loan guarantee entitlement. For applicants or properties that are not eligible for VA loans, the Department obtains private mortgage protection at a cost equivalent to the VA loan guarantee funding fee. All loans are retained for servicing by CalVet. Other features of our CalVet Home Loan Program include:

- 1% loan origination fee (collected in escrow) and a one-time loan guarantee or funding fee for all loans, which may be paid by the seller or buyer. If the loan is a VA guaranteed loan the funding fee may be financed with the loan.
- No down payment for VA guaranteed loans (CalVet/VA), and 3% for loans using CalVet financing (CalVet 97). The loan term is 30 years with shorter terms available upon request. (See Loan Terms Sheet for specific loan term requirements)
- All CalVet properties will be covered by the Department's low cost Disaster Indemnity program (low cost protection against loss due to floods and earthquakes). Excluding manufactured housing, condominiums & townhouses, CalVet properties are also covered by the Department's low cost Hazard Insurance program.
- Applicants under age 62 are required to apply for mandatory life insurance, which can provide 1 to 5 years (as determined by the insurance carrier) of principal and interest installments in the event of the death of the insured. Supplemental life insurance, disability coverage, and spousal life insurance are available if desired.

### Eligibility

Applicants who were released or discharged from active duty under honorable conditions are eligible, as are applicants currently serving on active duty. (Active duty solely for training does not qualify). Applicants must have served at least 90 days on active duty, unless:

- Discharged sooner due to service-connected disability, **or**
- Eligible to receive a U.S. campaign or expeditionary medal, **or**
- Called to active duty from the Reserve or National Guard due to Presidential Order

Current members of the California National Guard or the US Military Reserves who have served a minimum of one year of a six year obligation are also eligible provided they qualify for Qualified Mortgage Bond (QMB) funding - this means they must be first time home buyers or purchase in a Targeted area, and comply with income and purchase price limits (please request a copy of Form L-10). If your loan will be guaranteed by the USDVA you will be required to submit your VA Certificate of Eligibility (Form 26-8320). If you do not have the Certificate, CalVet can assist you in obtaining one.

For any questions, please contact us at [loanserv@calvet.ca.gov](mailto:loanserv@calvet.ca.gov) or call at **1-800-952-5626**.



## **CALVET LOAN INITIAL APPLICATION CHECKOFF SHEET**

If you have questions or need assistance with any of these forms or documentation requires, please contact CalVet for clarification at **1-800-952-5626**.

### **Forms – All Applications**

- Application (Uniform Resident Loan Application, form 1003) – completed, signed & dated
- Fair Lending Notice – completed, signed & dated
- Borrower's Authorization – completed, signed & dated
- Buyers Questionnaire And Information Form - Completed, signed & dated
- Loan Origination Fee / Funding Fee – completed, signed & dated
- VA Certification – completed, signed & dated
- Real Estate Certification Form – completed, signed & dated

### **Forms – USDVA Guaranteed**

- Debt Questionnaire (VA Form 26-0551)
- HUD/VA Addendum to Uniform Residential Loan Application (VA Form 26-1802a)

### **Forms – Qualified Bond Financing**

- Seller's Affidavit – completed, signed & dated
- Purchaser's Affidavit – completed, signed & dated
- Recapture Tax notice

### **Documentation**

- Salaried Borrower(s) – consecutive paystubs covering at least one current full month, along w/ 2 yrs W2
- Self Employed (Borrowers) - 2 months business bank statements, year to date financials, profit & loss, complete 2 years tax returns to include all schedules & statements, 2 year corporate or partnership returns if applicable.
- Other Income – award letters for any retirement, VA compensation or Social Security. If you choose to include alimony or child support to qualify, provide verification of received for past 12 months along with documentation for continuance.
- Bank statements – a minimum of two current consecutive months
- Certified copy of DD214 / Statement of Service or other evidence of type of service
- Purchase Contract, to include all addendums, counter offers, agents visual inspection, TDS etc. signed by all parties to include Buyer, Seller and Real Estate Agents
- Copy of deposit receipt for funds held by Title / Escrow
- Contact information, to include Name, physical address, phone / fax numbers, email address for both Title Company and the Escrow Company
- Preliminary Title Report, not older than 60 days
- Termite Report & Clearance

### **Optional**

- Designation of Agent and General Release
- Early Appraisal Request
- Statement of Loan or Gift, if Applicable



We invite you to visit our CalVet Website at [www.CALVET.ca.gov](http://www.CALVET.ca.gov) or call us at 1-800-952-LOAN for current loan terms, as they are subject to change, or for information regarding district office locations and additional loan programs.

Current Rate	APR*	Payment*	Rate Restrictions
4.95%	5.32%	\$1,379.43	<u>Qualified Mortgage Bond Funding</u> Subject to income / purchase price limits & federal recapture taxes. CalVet Military Eligibility required. California National Guard and US Military Reserves must meet first time homebuyer guidelines. Not available for Mobile Homes in Parks or Home Improvement Loans.
5.50%	5.89%	\$1,427.93	<u>Qualified Veterans Mortgage Bond Funding</u> Wartime service required, application must be within 25 years of release from active duty. CalVet Military Eligibility required.
5.95%	6.35%	\$1,486.78	<u>Pre-Ullman Funding</u> CalVet Military Eligibility required.

\*Estimated total monthly payment/APR based on a \$200K sales price, no down payment & financing of the VA funding fee under the CalVet/VA program, \$200K assessed value, mandatory hazard, disaster indemnity and life insurance for 40 year old applicant. Your actual payment can vary due to replacement costs for your home, location, mello roos fees, your age, subsequent use of VA benefit, etc.

Loan Programs	CalVet / VA	CalVet 97	CalVet 80
Maximum Loan	\$521,250	\$521,250	\$521,250
Property	New or Existing Homes, VA Approved Condominiums and Mobile Homes on Land	New or Existing Homes, VA approved Condominiums and Mobile Homes on Land	New or Existing Homes, VA approved Condominiums and Mobile Homes on Land
Maximum Financing	100%	97%	80%
Funding Fee	1.50% to 2.40% based on down payment and military status, waived with 10% or greater VA disability rating. Funding fee for subsequent use is 3.30%. Funding fee may be financed.	1.25% to 2.40% based on down payment and military status. Funding fee for subsequent use is 3.30%. Funding Fee can not be financed and can not be waived.	1.25% to 1.5% based on down payment and military status. Funding Fee can not be financed and can not be waived.
Loan Origination	1%	1%	1%



## **SPECIAL NOTICE REGARDING YOUR CALVET LOAN APPLICATION**

CalVet loans are funded with proceeds from the sales of both state and federal tax-exempt bonds, at no cost to California taxpayers. Since we finance the program with these bonds, both state and federal laws govern the CalVet loan program.

CalVet is prohibited from refinancing existing loans on real property. Internal Revenue Service regulations prohibit refinancing except for construction period loans or similar temporary initial financing.

You must file your CalVet loan application before obtaining an interest of record in the property you wish to purchase with CalVet funds.

Contact CalVet if you need additional information regarding the financing of your home purchase at <http://www.calvet.ca.gov/homeloans> or call us **1-800-952-5626**

### **INFORMATION**

The California Information Practices Act of 1977 requires that all applicants be informed of the purposes and uses to be made of information solicited. The following is furnished to explain the reasons why information is requested and the general uses to which that information may be put.

- **AUTHORITY:** The California Department of Veterans Affairs is authorized to request information under the authority of the Military and Veterans Code of the State of California, particularly Section 987.56.
- **PURPOSE:** The information requested is considered relevant and necessary to determine entitlement to and qualification for the benefit for which you are applying.
- **USES:** The information will be used in your best interest in determining eligibility for the maximum benefits allowable by law. There is no presently known or foreseeable interagency or intergovernmental transfer which may be made of the information. However, the information may be transferred to a governmental entity when required by state or federal law, and certain other disclosures or transfers may be made as permitted by Section 1798.24 of the California Civil Code.
- **EFFECTS OF NOT PROVIDING INFORMATION:** Disclosure of the information is voluntary. No penalty will be imposed for failure to respond. However, your qualifications for the benefit requested must then be made on the basis of the available evidence of record. This may result in a delay in the processing of the application, receipt of less than the maximum benefit, or deferral or complete disallowance of your loan request. Failure to provide information in connection with the benefit currently being sought will have no detrimental effect on any other benefit to which you are entitled.
- **RIGHT OF REVIEW:** Individuals have the right of access to records containing personal information on them at all times during regular office hours of the department.

Contact CalVet for the department official responsible for information maintenance by calling us at **1-800-952-5626** or email us at [loanserv@calvet.ca.gov](mailto:loanserv@calvet.ca.gov).



## **MINIMUM PROPERTY STANDARDS**

The Department will purchase for resale to veterans only approved single-family residences (including condominiums, units in planned unit developments, and mobile homes) in California. Properties must comply with the following guidelines. If you select a property that fails to meet one or more of these standards you may still be able to obtain a CalVet Home Loan by negotiating with the seller to correct the problem conditions as part of the sales agreement.

- A. The property must conform to all applicable local zoning and building code standards.
- B. The unit shall contain at a minimum one bedroom, one bathroom, and a kitchen/living room combination to accommodate suitable living space.
- C. There must be independent utilities provided for each living unit, including service shut-offs. These utilities must consist of:
  - 1. Continuous supply of safe potable water
  - 2. Sanitary facilities and a safe method of sewage disposal
  - 3. Full electrical service provided by a public utility to the site. (Actual connection to the electrical service is not required if the dwelling is designed for the use of alternative energy sources.)
- D. There must be a domestic hot water system.
- E. When an individual water supply and sewage disposal systems is used the following is required:
  - 1. Water quality and quantity must meet the requirements of the local health authority. If testing is required and the local authority is unable to perform the water quality analysis in a timely manner, a private commercial testing laboratory or a licensed sanitary engineer acceptable to that authority may take and test water samples.
  - 2. Each living unit must be provided with a sewage disposal system adequate to dispose of all domestic wastes in a manner which will not create a nuisance and which meets the requirements of the local health authority.
  - 3. Connection to a public or community water and sewage disposal systems could be required when feasible and at a reasonable cost as determined by CalVet.
  - 4. In those instances where the property shares a well with another property and connection to a public or private community water supply system is not feasible, a recorded well-sharing agreement must be provided which allows for maintenance and repair of the system, includes permanent easements for the facilities, sharing of supply and costs, and is binding upon all parties.

- F. The entire living area of the dwelling must be heated by an acceptable mechanical heating system that is either powered by gas, electricity or solar energy. Homes using alternative energy sources (such as wood stoves) for heating must be constructed with necessary plumbing, wiring, and/or ductwork to allow for conversion back to one of the three sources without structural modifications.
- G. Each living unit must be able to be used and maintained individually without trespass upon adjoining properties. Any easements required must run with the land.
- H. All structural spaces such as attics and crawl spaces must be provided with adequate natural ventilation and be provided with sufficient access. Roof coverings must be adequate to prevent entrance of moisture and provide reasonable future utility, durability and economy of maintenance.
- I. The site must be graded to provide positive, rapid drainage away from the perimeter walls of the dwelling and prevent ponding of water on the site. The property must be free of hazards which may adversely affect the health and safety of the occupants, the structural soundness of the improvements or which may impair the customary use and enjoyment of the property.
- J. Safe and adequate access to the property must be provided from a public or private street. All streets must provide all-weather access.
- K. Private streets must be protected by permanent easements (insured access) and maintained by a homeowners association or joint road maintenance agreement.
- L. Access to the living unit must be provided without passing through any other living unit.
- M. The dwelling unit cannot be located within the easement of a high voltage electrical or high-pressure gas or liquid petroleum transmission line.
- N. Defective construction, poor workmanship, evidence of continuing settlement, excessive dampness, leakage, decay, termites, or other conditions impairing the safety, sanitation or structural soundness of the dwelling shall render the property unacceptable until the defects or conditions have been remedied and the probability of further damage eliminated.
- O. CalVet reserves the right to modify these standards at any time, please contact us if you have any concerns over the property you wish to purchase not addressed above.

**CalVet Home Loans and the Department of Veterans Affairs of the State of California do not warrant the condition, desirability, suitability, or actual value of the property you are purchasing; such determinations being entirely the responsibility of you the "Purchaser." You are encouraged to inspect the property thoroughly, review the Seller's/Agent's disclosure statements, and obtain any inspection reports that you deem necessary.**

**The appraisal performed for the purpose of confirming the market value of the property is not a substitute for the purchaser's thorough inspection or an inspection by a commercial home inspection service.**



## **FIRE & HAZARD PROGRAM, DISASTER INDEMNITY COVERAGE, LIFE AND DISABILITY INSURANCES**

### **Fire and Hazard Program**

We require our contract holders to utilize the program offered through CalVet (excluding condominiums and mobile homes) for fire and hazard protection. CalVet is able to pass on significant cost savings to our contract holders while offering low deductibles and guaranteed replacement cost coverage for the contract holders' homes. Contents and / or liability coverage is **not** included in the coverage; we encourage contract holders to obtain outside insurance for those needs.

For condominiums, manufactured homes on land, and mobile homes in parks, CalVet does not offer a fire and hazard coverage program. Note: we will require evidence of sufficient insurance as determined after receipt of your appraisal and before the close of escrow.

### **Disaster Indemnity Coverage**

All CalVet properties are required to have disaster indemnity coverage, including condominiums and manufactured or mobile homes. The rates offered through CalVet are significantly lower than those from other companies, and provide for replacement of your home with like materials and quality. The deductibles are as low as \$500 for flood losses, or the greater of \$500 or 5% of the total covered loss from earthquakes. These low deductibles can save our contract holders thousands in the case of a major catastrophe. Of course, deductibles can change so see our website for current amounts at: <http://www.calvet.ca.gov/homeloans>.

### **Life and Disability**

Life insurance coverage through CalVet is required for our applicants under the age of 62 and this coverage continues through age 70. This Mandatory Life insurance program provides coverage that will pay one, three, or five years' principle and interest payments, which is dependent upon the review of the Medical History Statement by our insurance carrier.

There are additional coverage options available to you. They are:

- **Optional Life** insurance will ensure the mortgage balance will be paid in full in conjunction with the mandatory life insurance policy.
- **Optional Spouse Life** coverage will pay off the mortgage in the event of the death of the spouse.
- **Optional Disability** insurance is available to age 62, and provides financial protection to help cover monthly mortgage payments (24 months or more), in the event that you become disabled and unable to work.