

Policy Changes for Specially Adapted Housing Compliance Inspector Exam and Compliance Inspector Qualifications

1. **Purpose.** The purpose of this Circular is to update certain policies related to the Compliance Inspector (CI) exam and qualifications outlined in VA Manual M26-12, Revised, *Specially Adapted Housing (SAH) Grant Processing Procedures, Loan Guaranty Operations for Regional Offices*.

2. **Background.** Prior to the release of VA Manual M26-12, Revised, in February 2014, an exam was administered by Regional Loan Centers (RLCs) to test potential CIs on their knowledge of building codes and practices. In completing the revised manual, SAH policy staff determined that the exam was ineffective because building codes and practices vary significantly by state and region. Moreover, the exam did not address SAH-specific building practices, procedures, and minimum property requirements (MPRs). Upon release of VA Manual M26-12, Revised, SAH policy staff instructed RLCs to discontinue use of the existing CI exam until a replacement was provided.

a. The SAH policy staff created a new CI exam that focuses on SAH-specific building practices, procedures, and MPRs. This “open book” exam is designed to be used both as a training tool and a means of measuring a potential CI’s knowledge of relevant SAH material prior to being admitted to the CI panel.

3. **Action.** Effective immediately, the following policies are in effect regarding the CI exam and CI qualifications:

a. RLCs will begin administering the new CI exam to ALL new, potential CIs. This is an open book exam that must be passed with a score of 70 percent or greater. If the potential CI fails to achieve a score of 70 percent or greater on the first attempt, the test may be retaken after a waiting period of 10-business days. If the potential CI fails to achieve a score of 70 percent or greater on the second or future attempts, the waiting period between retakes is 6months.

b. CI applicants that possess the International Code Council (ICC) Certification or local/state licenses are no longer exempt from the testing requirement.

c. Current CI panel members are exempt from the testing requirement.

d. RLCs must record the CI’s application material in the Stakeholder Information Management (SIM) system prior to assigning any work to the CI. These documents include:

- (1) [VA Form 26-6681](#), *Application for Fee or Roster Personnel Designation*
- (2) The Compliance Inspector Exam(s)
- (3) Satisfactory Credit Alert Interactive Voice Response System (CAIVRS) screening results.
- (4) An active inspector license, if required by the state. The RLC of jurisdiction is responsible for monitoring all CI licenses and ensuring that they are renewed/updated no later than the date of expiration.

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4. Questions. If you have any questions regarding the implementation of these procedures, please contact Betty Rhoades at (202) 632-8801 or betty.rhoades@va.gov.

5. Rescission: This Circular is rescinded January 1, 2018.

By Direction of the Under Secretary for Benefits

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