

VA vs. Conventional Property Condition Checklist

VA is green. Fannie Mae is red. The same defect can produce a different result depending on the loan program. VA Chapter 12 was updated effective May 1, 2026.

ITEM / CONDITION	VA - UPDATED 2026	FANNIE MAE / CONVENTIONAL
Paint	1978+ exterior defective paint is generally cosmetic. Pre-1978 lead-based paint requirements remain.	Cosmetic deterioration can generally remain as-is when it does not affect safety, soundness, structural integrity, eligibility, or value.
Handrails	Evaluate under applicable VA MPRs and the actual safety/property condition. Do not use an automatic '4-step' rule in this guide.	Fannie specifically lists missing handrails as an example of minor deferred maintenance that can be acceptable as-is.
Cracked glass / screens	Evaluate whether the condition creates an applicable MPR, safety, or weather-protection issue.	Fannie specifically lists cracked window glass and holes in screens as minor-condition examples.
Roof / leaks	Dwelling must satisfy applicable VA MPRs for condition and weather protection. Investigate active leaks or material defects.	Significant roof damage/leaks or a condition affecting safety, soundness, integrity, eligibility, or value may require repair/evaluation.
Moisture / settlement	Investigate dampness, drainage, abnormal settlement, crawlspace/basement, and structural concerns under Chapter 12.	Dampness or abnormal settlement may require correction or a satisfactory qualified-professional report.
Wood-destroying insects / rot	Chapter 12 requirements remain for the dwelling; state-specific inspection requirements may also apply.	Evidence can require correction or qualified-professional evaluation, especially when structural components are affected.
Detached improvements	2026 change deleted the former separate MPR requirement for detached sheds/outbuildings.	Evaluate effect on safety, soundness, eligibility, marketability, and value.
Non-vented heaters / fireplaces	2026 change deleted the former Veteran acknowledgement / ODS contractor-certification NOV condition.	Evaluate the actual property condition and applicable eligibility/safety requirements.
Radon	Former Chapter 12 Topic 34 deleted effective May 1, 2026.	No VA-style MPR rule; other applicable law, property, lender, or transaction requirements can still matter.
Minor deferred maintenance	Depends on whether the condition violates an applicable VA MPR.	Fannie expressly permits many minor conditions as-is; C1-C5 may be eligible as-is.

BOTTOM LINE

Do not assume an old VA repair rule still applies. For appraisals subject to the May 1, 2026 Chapter 12 update, use the revised VA guidance. Conventional financing may accept some minor conditions as-is that VA evaluates under specific MPRs, while serious structural or property-eligibility defects can matter under either program.

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Educational quick reference. The current VA Lender's Handbook, appraisal/NOV, lender, local requirements, property facts, and any applicable overlays control the final determination.