



Does the seller have to schedule inspections if the buyer is obtaining a VA loan?

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QUESTION: A buyer's agent contacted me today and requested that my seller arrange for the termite inspection to be performed. The buyer is obtaining a VA loan, and the Department of Veteran's Affairs ("DVA") has required that a termite inspection be performed at the seller's expense. Does Form 2A4-T ("FHA/VA Financing Addendum") require the seller to schedule this inspection and ensure that it is done?

ANSWER: No. Form 2A4-T states that if "inspections are required to be performed and are required to be at Seller's expense, Seller agrees to pay the cost of such inspections, subject to the limit set forth in Paragraph 8(i) of the Contract." This section of the addendum makes clear that the seller only has the obligation to pay for the required inspections. The seller is not required to arrange for the inspections to be performed, and paragraph 8(i) in Form 2-T provides that the seller only has to pay *at settlement*.

Brokers should note that the monetary amount in paragraph 8(i) is especially important if the buyer intends to obtain VA financing. The seller's obligation to pay the buyer's expenses are limited by paragraph 8(i), but the buyer's obligation for inspections is governed by federal law and the DVA. At the offer stage, agents should carefully discuss this provision with their clients to ensure that the amount inserted in the paragraph 8(i) blank is sufficient to cover all the anticipated expenses the seller may have to cover for the buyer.

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