



DEPARTMENT OF VETERANS AFFAIRS
REGIONAL OFFICE
6900 ALMEDA ROAD
HOUSTON, TX 77030

November 15, 2001

Mr. Kyle Davison, City President
Pulte Homes of Texas, LP
Houston Division
PO BOX 219218
Houston, Texas 77218-9218

In Reply Refer To: 362/26
VA LIN 62-62-6-0948924
HARTNETT, Edward H.

Dear Mr. Davison:

The Department of Veterans Affairs has received information from the above cited homeowner that the foundation in his home is in a *failed state*. This condition is documented by reports from a structural engineer, and was submitted to Paradigm Consultants on April 20th, and to Pulte Homes of Texas, LP on June 1, 2001, and September 11, 2001.

Your company sold this property to Mr. & Mrs. Hartnett on April 21, 1999, under the provisions of VA's program for newly constructed properties without the benefit of VA or HUD compliance inspections. While VA is not able to provide direct assistance to Mr. Hartnett in this matter, we are concerned that other homes in the Anderson Woods Subdivision may be similarly impacted by what the structural engineer terms "a *hybrid* of the accepted foundation systems specified in Sections 1815 and 1816 of the (Uniform Building) code. The foundation is a post tensioned system with 'unapproved' conventional steel reinforcement at the bases of the grade beams." (from his report dated 8/1/01).

In order for VA to continue to extend to Pulte Homes of Texas the privilege of obtaining VA appraisals without VA or HUD compliance inspections (see enclosed excerpt from VA Pamphlet 26-7 at Section 10.08), it will be necessary to provide this office with the following:

- Foundation design plans that have been "sealed" by your engineer for each of the plan types that have been constructed in the Anderson Woods Subdivision.
- Statement from your foundation design engineer concerning the suitability of the so-called hybrid nature of this design. Include any waivers or design approvals that may have been granted by the appropriate building officials who have jurisdiction.
- Copy of all construction complaints received from homeowners living in the Anderson Woods Subdivision, and any other Pulte subdivision in the Houston area in which this foundation design has been used, for calendar years 1999, 2000, & 2001. This would include those complaints made directly to the Pulte Protection Plan Insured Warranty or the Plan Administrator.

- Copies of correspondence between Pulte Homes, local building officials, foundation and structural engineering firms, officials associated with administering the Uniform Building Code, and other interested parties concerning this foundation design and its suitability for the construction site(s) on which it has been used in the Houston area.

It is necessary that VA have your assistance in providing this information. This will help us to determine the extent of potential foundation defects; or if the defect at Mr. Hartnett's home is an isolated incident.

Your immediate attention to this matter is appreciated. If you wish to discuss this further please call 713.794.3600.

Sincerely,

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F.M. McREAKEN
Loan Guaranty Officer

Enclosure

cc: Peter Segelke
3303 Louisiana, Suite 200
Houston, TX 77006

bcc: Edward Hartnett