

## FHA & USDA Inspection requirements checklist:

### Key Elements: Safety, Security, & Soundness

#### Public Sewer & Individual Septic:

Public systems need no certification. Community sewer systems must be “named” in the report. Septic systems on neighboring properties are **NOT** acceptable. Nor is any other type of “open” system. Any improvements located over/covering the drain field are unacceptable and should be removed or the drain field relocated.

#### Public Water & Individual Well/Spring:

Public systems need no certification. Community water systems are to be verified by the lender. A well must **NOT** be located within the foundation walls of a dwelling. Must be 10’ from property lines, 50’ from septic tank, 10’ from sewer lines and 100’ from absorption fields/beds and seepage pits. A well that is **NOT** located on the property must be on adjoining property and evidence of water rights provided. If so, setbacks from the well must be reanalyzed on the other property as well. Holding tanks are acceptable in areas in which they are typical for the market and they are not the sole source for water. Tank must be larger than 500 gallons. Shared wells must service no more than 4 properties and include a shared well agreement.

#### Inspect crawl space and attic:

Crawlspace must be 18” in height. No attic inspection for manufactured homes. There must be no presence of ponding water or excessive dampness. For manufactured homes check for **tie downs**, photograph if possible.

All **manufactured homes** must have been built after **June 15<sup>th</sup>, 1976** to be eligible for FHA financing.

Permanent heat source is required in all living rooms and rooms w/ plumbing.

Homes with wood stoves or solar systems must have conventional heating systems installed in all living areas and rooms w/ plumbing. Floor heaters are acceptable if in good working order.

Plans & month/year of completion required on all homes finished in the last 13 months.

Check all plumbing fixtures throughout the home and at least 1 electrical outlet per room.

Turn on at least 1 faucet in a bathroom at the same time the kitchen faucet is on or flush a toilet while the faucet is running. **All water heaters must have straps (ie. Gas or electric)**

Inspect all major utilities in the home, ie. hot water heater, FAU, HP, etc.

#### Examine electrical box.

60-amp service is acceptable provided it is adequate to run all appliances present in the home.

Knob & tube wiring is acceptable if in good condition and w/ a minimum of 60-amp service. For electric heated homes 200-amp recommended.

Flat roofs require inspection. If roof is snow covered the appraiser may assess the condition of the roof by observing the interior. It must be stated in the nature of inspection.

#### Smoke detectors & Carbon Monoxide alarms:

At least 1 smoke detector in each hallway adjacent to the bedrooms and 1 smoke alarm in every bedroom. At least 1 detector centrally located on levels which do not have bedrooms. 1 CO alarm on each story/floor and at least 15 ft f/ source of contaminant and within 15 ft of every bedroom door. Must be in any home being purchased, newly built or tenant occupied which includes gas/propane, FP, PS, WS, or attached garage.

#### Flood areas:

New and proposed construction is not eligible if any part of the home that is essential to the property’s value and subject to flood damage is located in the 100 year flood plain.

#### Lead based paint:

All properties built before January 1, 1978 must have all improvements inspected, ie. interior walls, exterior walls, stairs, decks, porches, eaves, windows, doors, fences, outbuildings, etc. If the paint is cracking, scaling, peeling or loosening on any surfaces the affected areas must be thoroughly washed, sanded and scraped to remove all of the defective paint. The treated surface must be repainted by a paint that matches the existing color, using a minimum of two coats of paint unless the affected areas are covered, when appropriate, by materials such as plywood, plaster, etc. All removed paint debris must be removed from the site and the area cleaned and cleared.

#### Asbestos:

Asbestos should be removed by an expert only in cases where the deterioration poses a serious health threat; otherwise the appraiser may condition for repair of the deferred areas.

#### Insulation:

If insulation in certain parts of the home are or are not present they can be acceptable if typical for the market. If home is in high altitude areas or experiences freezing temperatures often then make report “subject to” installation of insulation in specified areas. (per call to HUD)