



FHA

Property Requirements



An FHA appraiser will inspect the property and determine the following 3 things regarding the condition of the property.

Safety: The home should protect the health and safety of the occupants.

Security: The home should protect the security of the property.

Soundness: The property should not have physical deficiencies or conditions affecting its structural integrity

1. Distressed Paint – on homes built prior to 1978 there is a potential for lead-based paint; if there is any interior or exterior paint that is not in good condition or leaves exposed wood/metal surfaces it must be scraped, prepped and painted in a professional, workmanlike manner. This includes paint that is cracked, peeling, alligatored, chipped, worn away or otherwise distressed.

2. Hand Rails – while the FHA no longer requires that handrails be installed it is up to the appraiser as to whether or not handrails will be required to eliminate a safety hazard. Handrails should be installed along open staircases, and stairwells, in accordance with local codes.

3. Railings – railings should be installed around decks, patios, porches and balconies where a person could fall off and be injured. Railings should be constructed of an appropriate material and have spacing per code.

4. Hot Water Heater Pressure Relief Valve – there should be an extension added to the pressure relief valve on a hot water heater that extends to within 6” of the floor. This is to prevent accidental scalding and is a relatively inexpensive fix.

5. Broken Windows – any windows that are broken, have broken panes, broken seals and/or do not operate properly should be replaced. All windows must open and close properly.

6. GCFI outlets – while the FHA no longer requires GFCI outlets, many appraisers will defer to the local building code when calling for replacement. In most municipalities, a GCFI outlet should be installed if the outlet is within 6 feet of any water source.

7. Outlets mounted on light fixtures (typically found in older bathrooms and kitchens) should be replaced with fixtures that have no outlets mounted on them.

8. Doors – all doors should be functional and must hang properly. If a door is damaged or does not work properly it must be replaced in a professional, workmanlike manner.

9. Security Bars – all security bars on bedrooms must have the ability to be unlocked from the interior of the house or have a quick release. If not, they must be removed or replaced with bars that do unlock from the interior. Some lenders may have overlays that all security bars have a quick release however FHA only states bedrooms.

10. Cracked or Heaving Pavement – while the FHA no longer requires an appraiser to call for the replacement of cracked or heaving pavement, it is up to the discretion of the appraiser to determine if it poses a safety hazard significant enough to warrant replacement.

11. Leaking Roof – the roof must be repaired or replaced in a professional, workmanlike manner.

12. Leaking Pipes – the leak must be corrected in a professional, workmanlike manner.

13. Heat Sources – the FHA requires a permanently installed central heat source that can heat all parts of a house.

14. Flooring – all floors must be covered with an acceptable floor covering (i.e. hardwood floors, laminated flooring, vinyl flooring, tile, carpet, etc). Plywood flooring is not an acceptable floor surface.

15. Mold – any mold or moldlike substances should be remediated in a professional, workmanlike manner. Merely painting over the affected area is not sufficient.

16. Attic & Crawl Spaces - Appraisers must complete a “head and shoulders” inspection of any attics and crawl spaces. Be sure to provide the appraiser with clear access to those areas by removing any personal property or debris and providing a step ladder or other means to access if one is not readily available.

17. Crawl Spaces- The floor joists must be sufficiently above ground level to provide access for maintaining and repairing ductwork and plumbing. If the crawl space contains any system components, the minimum required vertical clearance is 18 inches between grade and the bottom of the floor joists.

18. Other Structures – the FHA requires that every structure within the property lines must meet FHA minimum property standards. This means if there is a shed/barn with a defective paint surface or any other FHA issue observed it will need to be addressed. FHA standards don't just apply to the main house.

19. Graffiti – FHA requires that all graffiti on a house or structure on a given parcel must be removed. It is considered to be a safety hazard.

20. Pools – the FHA has no universal requirements for pools and pool safety; instead, the FHA will defer to local requirements and standards for pool safety.

21. Inspection of Wall and Floor Surfaces – the FHA requires that the appraiser be able to visually inspect all wall and floor surfaces. If the appraiser is unable to inspect an area due to excessive personal property or debris, the area will have to be cleared so that the appraiser may inspect that area.

22. Water – should be on and functional at the time of inspection. The water heater should be able to produce hot water.

23. Utilities – should be on and functional at the time of inspection

24. Wires – exposed wires must be secured or removed by a qualified electrical contractor

25. Heaters & Central Air Units – should be on and functional at the time of inspection, the appraiser will test them. If it is too cold, the appraiser will usually not test the Central Air unit, as not to cause damage to it.

26. Windows - that are painted shut must be made to operate freely. NOTE: Doing so may also require repainting the now defective paint areas.

27. Carpets – Cleaning or removing carpets is required only when they are so badly soiled that they affect the livability and/or marketability of the property.

28. Defective Conditions - A property with defective conditions is unacceptable until the defects or conditions have been remedied and the probability of further damage is eliminated. Defective conditions include:

- a. Defective construction
- b. Poor workmanship
- c. Evidence of continuing settlement
- d. Excessive dampness
- e. Leakage
- f. Decay
- g. Termites
- h. Other readily observable conditions that impair the safety, sanitation or structural soundness of the dwelling

29. Missing Appliances - FHA requires an appliance to be operational only if it remains with the property and it has value and is included in the appraisal. The good news for appraisers is that if the appliance is not included in the valuation, it is not required to be operational.

30. Septic & Well – be sure that they are visible for the appraiser to inspect. If they have been covered in any way, uncover the access making it clearly visible for the appraiser.

31. Roof – if a roof surface appears to be at the end of its economic life, the appraiser may call for a Roof Certification to be completed by a qualified roofing contractor. The certification states that the roof must “provide reasonable future utility, durability and economy of maintenance.” “The roof should have a remaining physical life of at least two years. If the roof has less than two years remaining life, then the appraiser must call for re-roofing or repair. The appraiser must clearly state whether the subject is to be repaired or re-roofed” per the official FHA website.

32. Garage Doors with openers must automatically reverse direction when meeting resistance.

33. Plumbing - If plumbing fixtures and pipes under the sink and in the basement are leaking or corroded, have them repaired or replaced by a qualified plumbing contractor. Doing so proactively will make the appraisal inspection go more smoothly. Also, if there is any damage under sink/counters as a result of a leaking pipe, have the area repaired or replaced.

34. Underground Storage Tanks such as oil and gasoline tanks should be identified for the appraiser to visibly inspect the area in which they are located and their fill pipes.

35. Drainage - The site must be graded to provide positive drainage away from the perimeter walls of the dwelling and to prevent standing water on the site. Signs of inadequate draining include standing water proximate to the structure and no mitigation measures such as gutters or downspouts.

36. Water Supply & Sewage Systems - Each living unit must contain the following:

- a. Domestic hot water
- b. A continuing & sufficient supply of potable
- c. Water under adequate pressure & of appropriate quality for all household uses
- d. Sanitary facilities and a safe method of sewage disposal

37. Connection to Public Water/Sewer System – if the potential for connection to a public or community water/sewer system exists the connection must be made, if connection costs to the public or community system are reasonable (3% or less of the estimated value of the property. If connection costs exceed 3%, the existing on-site systems will be acceptable provided they are functioning properly and meet the requirements of the local health department.

38. Domestic Well - must be a minimum of 50 feet from a septic tank, 100 feet from the septic tank's drain field and a minimum of 10 feet from any property line.

39. Hazards - The property must be free of all known hazards and adverse conditions that:

- a. May affect the health and safety of the occupants
- b. May affect the structural soundness of the improvements
- c. May impair the customary use and enjoyment of the property.

These hazards include toxic chemicals, radioactive materials, other pollution, hazardous activities (such as meth labs), the potential damage from soil or other differential ground movements, ground water, inadequate surface drainage, flood, erosion, excessive noise and other hazards on or off-site.

40. Wood Structural Components: Termites can cause serious problems in the wood structural components of a house and may go undetected for a long period of time. FHA requires maximum assurances that a home is free of any infestation. A pest inspection is always required for any structure that is ground level and/or any structure where the wood touches the ground.



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