

What do FHA appraisers look for MPR

- Utilities should be turned on so the appraiser can test systems and appliances.
- Appliances must function properly.
- There should be proper drainage around the perimeter of the house.
- The heating unit must be in working order (and AC if applicable).
- Water pressure must be adequate for the house. Appraisers flush toilets, turn on all faucets and ensure that both hot and cold water are working.
- The water heater must be in working order and strapped according to local code.
- Attics and crawlspaces are to be viewed at minimum from the shoulder up by the appraiser. When viewing the attic, appraisers make sure there are vents, no damage, no exposed or frayed wires, and that sunlight is not beaming through.
- When inspecting the crawl space, appraisers make sure there are no signs of standing water or any other foundation support issues. Excessive debris in the attic or crawl space should be removed.
- Paint must not be chipping, peeling, or flaking on homes built before 1978 because of the danger of lead-based paint (lead was used in paint prior to 1978). However, there must be no defective paint or bare wood for properties built after 1978 because defective paint impacts the economic longevity of the property. Defective paint should be scraped and re-painted (with no wood chips on the soil).
- Electrical outlets must work (outlets should have a cover plate also).
- Toilets must flush and be mounted.
- Any active termite infestation needs to be cured.
- **Minor cosmetic issues** such as stained carpet or a need for interior paint are okay. The house does not have to be perfect, but if there are issues that impact health and safety or the long-term economic viability of the property, then those issues must be cured.
- Windows must open and close and they cannot be broken. **Minor cracks** can be okay so long as there is not an issue with safety, soundness and security.
- No dangling wires from missing fixtures or anywhere else.
- FHA doesn't require air conditioning, but if **present the system should work as intended**.
- Smoke detectors & carbon monoxide detectors are required insofar as required by local code
- The firewall from the garage to the house should be intact. Missing sheetrock, a pet door installed in the door, a lack of self-closing hinges, or a hollow door could pose a safety issue.
- A roof should not be leaking and needs to have at least **two years of economic life left**.
- A house will be rejected if the site is subject to hazards, environmental contaminants, noxious odors, or excessive noises to the point of endangering the physical improvements or affecting the livability of the property (this isn't an issue for the vast majority of properties).
- A trip hazard is a subjective call to make by the appraiser and not necessarily an automatic repair, but if there is a legitimate safety issue it should be called out by the appraiser.

The FHA does not require the repair of **cosmetic or minor defects**, deferred maintenance and normal wear if they do not affect the safety, security or soundness of the home. The FHA says that examples of such problems include but are not limited to the following:

- Missing handrails
- Cracked or damaged exit doors that are otherwise operable
- Cracked window glass
- Defective paint surfaces in homes constructed post-1978
- Minor plumbing leaks (such as leaky faucets)
- Defective floor finish or covering (worn through the finish, badly soiled carpeting)
- Evidence of previous (non-active) wood-destroying insect/organism damage where there is no evidence of unrepaired structural damage
- Rotten or worn-out counter tops
- Damaged plaster, sheetrock or other wall and ceiling materials in homes constructed post-1978

- Poor workmanship
- Trip hazards (cracked or partially heaving sidewalks, poorly installed carpeting)
- Crawl space with debris and trash
- Lack of an all-weather driveway surface

There are many areas where the **FHA does require problems** to be remedied in order for the sale to close.

Electrical and Heating

- The electrical box should not have any frayed or exposed wires.
- All habitable rooms must have a functioning heat source (except in a few select cities with mild winters).

Roofs and Attics

- The roofing must keep moisture out.
- The roofing must be expected to last for at least two more years.
- The appraiser must inspect the attic for evidence of possible roof problems.
- The roof cannot have more than three layers of roofing.
- If the inspection reveals the need for roof repairs and the roof already has three or more layers of roofing, the FHA requires a new roof.

Water Heaters

The water heater must meet local building codes and must convey with the property.

Hazards and Nuisances

A number of conditions fall under this category. They include but are not limited to the following:

- Contaminated soil
- Proximity to a hazardous waste site
- Oil and gas wells located on the property
- Heavy traffic
- Airport noise and hazards
- Other sources of excessive noise
- Proximity to something that could explode, such as a high-pressure petroleum line
- Proximity to high-voltage power lines
- Proximity to a radio or TV transmission tower

Property Access

The property must provide safe and adequate access for pedestrians and vehicles, and the street must have an all-weather surface so that emergency vehicles can access the property under any weather conditions.

Structural Soundness

Any defective structural conditions and any other conditions that could lead to future structural damage must be remedied before the property can be sold. These include defective construction, excessive dampness, leakage, decay, termite damage and continuing settlement. Asbestos If an area of the home contains asbestos that appears to be damaged or deteriorating, the FHA requires further inspection by an asbestos professional.

Bathrooms

The home must have a toilet, sink and shower. (This might sound silly, but you'd be surprised what people will take with them when they're foreclosed on.)

Appliances

Anecdotal evidence suggests that the FHA requires properties to have working kitchen appliances, particularly a working stove. However, FHA documents do not mention any requirements regarding appliances.