

<p>New Construction (less than one year; never occupied)</p> <p><input type="checkbox"/> Yes    <input type="checkbox"/> No</p>	<p>If Yes, Lender requires: <input type="checkbox"/> Builder's Certification (HUD-92541)  <input type="checkbox"/> Builder's Warranty (HUD-92544_)  <input type="checkbox"/> Building Permit and C of O or 10-year warranty  <input type="checkbox"/> Wood Infestation Report</p> <p>Appraiser Requires: <input type="checkbox"/> HUD-92005 (Description of Materials)  <input type="checkbox"/> Plot Plan  <input type="checkbox"/> Floor Plan  <input type="checkbox"/> Exterior Elevations, Sections and Details</p> <p>If No, N/A</p>
<p>Adjoining Party or Lot Line Wall</p> <p><input type="checkbox"/> Yes    <input type="checkbox"/> No</p>	<p>If Yes: Subject must be separated from the adjacent building by a wall extending the full height on the building from foundation to roof fridge</p>
<p>Non-Residential Use</p> <p><input type="checkbox"/> Yes    <input type="checkbox"/> No</p>	<p>If Yes: Any non-residential use must be:</p> <ul style="list-style-type: none"> <li>• Must be subordinate to residential use</li> <li>• Must not impair residential Character or Marketability</li> <li>• Must not exceed 25% of total floor area of building (storage spaces integral for non-residential use must be included)</li> <li>• Non-residential use must be legally permitted and conform to zoning</li> </ul>
<p>Zoning</p> <p><input type="checkbox"/> Legal  <input type="checkbox"/> Legal non-conforming  <input type="checkbox"/> Illegal</p>	<p>Legal:</p> <ul style="list-style-type: none"> <li>• No issue</li> </ul> <p>Non-Conforming:</p> <ul style="list-style-type: none"> <li>• Appraiser must report as non-conforming</li> <li>• Provide explanation</li> <li>• Determine if property may be rebuilt if destroyed</li> <li>• Analyze non-conforming impact of value and/or marketability</li> </ul> <p>Illegal:</p> <ul style="list-style-type: none"> <li>• Not Eligible</li> </ul>
<p>Encroachments</p> <p><input type="checkbox"/> Yes    <input type="checkbox"/> No</p>	<p>The appraiser must identify encroachments of:</p> <ul style="list-style-type: none"> <li>• The dwelling</li> <li>• The garage</li> <li>• Any other improvements adjacent to the property</li> <li>• Right-of-way</li> <li>• Utility easements</li> <li>• Building restriction lines</li> <li>• Neighboring dwelling, garage or other physical structure</li> </ul> <p>please provide the appraiser the survey if any of the above are suspected</p>

<p style="text-align: center;">Externalities</p> <p style="text-align: center;"><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<p>Externalities or off-site conditions that may impact subject's value or marketability.</p> <p>Examples may include:</p> <ul style="list-style-type: none"> <li>• Airports</li> <li>• Heavy traffic</li> <li>• Amusement parks</li> <li>• Commercial centers</li> </ul>
<p style="text-align: center;">Proximity to high-pressure gas lines</p> <p style="text-align: center;"><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<p>The nearest improvement of the property near a high-pressure gas, liquid petroleum or other volatile or explicit product both above and below ground must be located at a minimum of 10 feet from the nearest <b>Boundary Line</b> of the pipeline easement.</p>
<p style="text-align: center;">Overhead Power Lines</p> <p style="text-align: center;"><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• If the dwelling or improvement are located within a power line easement the lender must require certification from the utility company or local regulatory agency setting the property conforms a local standards and a safe</li> <li>• These lines may not pass directly over any dwelling structure, related property or pool.</li> </ul>
<p style="text-align: center;">Stationary storage tanks</p> <p style="text-align: center;"><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• The property must not be within 300 feet of and above or below ground stationary storage tank with a capacity of 1000 gallons or more of flammable or explicit materials</li> </ul>
<p style="text-align: center;">All weather access to property</p> <p style="text-align: center;"><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• Each property must have a safe and adequate pedestrian or vehicular access from a public or private street</li> <li>• Adequate vehicular access is an all-weather surface over which emergency vehicles and typical passenger vehicles may pass.</li> <li>• Private street must be protected by permanent record easements, ownership interests or maybe owned and maintained by a Homeowner's Association.</li> <li>• A joint maintenance agreement is not required, however the appraiser must ask if one exists and describe the condition of the road.</li> </ul>
<p style="text-align: center;">Negative drainage (Topography)</p> <p style="text-align: center;"><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• Surface and subsurface water must be diverted away from the dwelling. If dampness is noted in any documentation the appraiser must require an inspection by a qualified individual.</li> <li>• The appraiser must also note that there is danger due to topographic conditions i.e. mudslides, falling rocks avalanches etc.</li> </ul>
<p style="text-align: center;">Observable soil conditions</p> <p style="text-align: center;"><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• The appraiser must consider readily observable soil and subsoil conditions.</li> <li>• Appraiser must note any observable conditions of the land that indicate potential problems for support of building foundations</li> <li>• Fissures or cracks in the terrain</li> <li>• Damage foundations</li> </ul>

<p>Continued</p>	<ul style="list-style-type: none"> <li>• sinkholes</li> <li>• settlement problems</li> </ul>
<p>Oil or gas wells</p> <p><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• If active -the distance from the dwelling to the <b>site boundary</b> to be no closer than 150 feet from an active are planned site.</li> <li>• The proposed or new construction-the property must not be within 75 feet of an operating or planned well</li> <li>• If abandoned-the appraiser must note the location of the well require a letter from local jurisdiction or state agency confirming the wells permanently abandoned in a safe manner</li> </ul>
<p>Swimming pool</p> <p><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• Must conform with local building codes</li> <li>• Must be operational provide contributory value</li> <li>• Appraiser must report defects are readily observable in a non-covered pool</li> <li>• If the water contains algae, but is not otherwise contaminated no cleaning is required</li> <li>• Pools with unstable sides are structures must be repaired or permanently filled</li> </ul>
<p>Appliances functional</p> <p><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• Cabinets and appliances being conveyed must be present in operational</li> </ul>
<p>Is the power and water on?</p> <p><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• The power and water need to be on at the same time in order for the appraiser to test systems of the home i.e. water heater, dishwasher etc.</li> <li>• Utilities are not on; the appraiser must make the appraisal subject to inspection</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>• Condition the appraisal to further inspection determined the systems are in proper working order</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>• Complete the appraisal under the extraordinary assumption that the appliances and mechanical systems are in working order (most lenders will not accept this)</li> <li>• The appraiser must also note that upon re-inspection additional repairs may be required</li> <li>• If the appraiser cannot operate a system due to temperature and certifications may be required</li> </ul>
<p>Heating and cooling systems</p> <p><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• Dwellings must have permanently installed heating systems</li> <li>• System should be able to automatically keep the gross living area to minimum of 50° and non-living areas to 50° in areas that contain components that are subject to freezing</li> <li>• The heating source must be safe to operate provide helpful comfortable heat</li> <li>• Must be installed the manufacturers recommendations</li> <li>• Have a readily available fuel source (available the subject geographical area)</li> </ul>

<p style="text-align: center;">Continued</p>	<ul style="list-style-type: none"> <li>• Must have market acceptance</li> <li>• Operate without human intervention for extended periods of time</li> <li>• Comply with local codes and regulations</li> <li>• Air-conditioning is not required but if installed must be functioning</li> <li>• If the air-conditioning is not functioning the appraiser must provide cost to cure and indicate its effect on marketability.</li> </ul>
<p>Electrical system sufficient</p> <p><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• The appraiser must inspect the electrical system for signs of frayed or exposed wiring</li> <li>• Note that the service amperage appears adequate</li> <li>• Operate a representative sample of switches, light fixtures and receptacles</li> </ul>
<p>Plumbing system functional</p> <p><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• The appraiser is to ensure toilets flush</li> <li>• Water pressure sufficient</li> <li>• Plumbing system is intact and does not omit foul odors</li> <li>• Both hot and cold water function</li> <li>• There are no leaks or damage under fixtures</li> </ul>
<p>Water heater pressure relief operational</p> <p><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• The appraiser must ensure each water heater has a pressure piping to divert escaping steam away</li> </ul>
<p>Is roof covering sufficient</p> <p><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• Roofs must prevent the intrusion of water/moisture</li> <li>• Must have a remaining physical life of at minimum <b>two</b> years</li> <li>• The appraiser must call for an inspection the remaining economic life of the roof is less than two years</li> <li>• The roof is unobservable from the exterior appraiser must explain why and report the results of inspection of the underside of the roof from the attic</li> <li>• If damage or water stains is noted an inspection is required</li> </ul>
<p>Foundation cracks</p> <p><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• The appraiser must note any cracks in the foundation</li> <li>• The foundation of the home must be serviceable for the life of the mortgage</li> <li>• Inspection will be required if appropriate</li> </ul>
<p>Flaking paint</p> <p><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• If the dwelling was built prior to 1978 flaking paint shall be repaired as outlined in the lead-based paint section of HUD guide 4000.1.</li> <li>• The dwelling was built post 1978 the appraiser shall report and condition the appraisal to the repair of any services expose improvements to the elements</li> </ul>
<p>Attic observable</p> <p><input type="checkbox"/>Yes      <input type="checkbox"/>No</p>	<ul style="list-style-type: none"> <li>• Observation of all attic spaces required</li> <li>• The appraiser is not required to disturb insulation, move any personal items, furniture, equipment or debris that obstruct visibility.</li> </ul>

Continued	<ul style="list-style-type: none"> <li>• If the appraiser cannot observe all areas of the attic in the appraisal must reschedule inspection once an observation can be performed or make the appraisal subject to an inspection by qualified third-party.</li> <li>• When access is limited inspection of the head and shoulders only will suffice.</li> <li>• The appraiser must call for inspection if water damage or the smell of mold is noted</li> <li>• If there is no access the appraiser must report his findings. There is no requirement to cut ceilings for observation</li> </ul>
Sump pump <input type="checkbox"/> Yes <input type="checkbox"/> No	<ul style="list-style-type: none"> <li>• Sump pumps are acceptable provided their proper functioning order from the appraisal</li> <li>• The sump pump must be installed in a safe functional manner.</li> </ul>
Crawl Space <input type="checkbox"/> Yes <input type="checkbox"/> No	<ul style="list-style-type: none"> <li>• The appraiser is to inspect all areas of the crawl space.</li> <li>• Vertical clearance of 18 inches between ground and bottom the floor joists is required if the crawlspace contains any mechanical systems or their components.</li> <li>• Crawl space should be properly vented</li> <li>• Free of trash, debris and vermin</li> <li>• Must not be excessively damp, have water pooling or foul odors. If water intrusion is apparent a vapor barrier may be required</li> <li>• A head and shoulders inspection will suffice if access is limited</li> <li>• There is no requirement to cut walls or foundation</li> <li>• The appraiser should note require repair of inspection of any improper structural support, evidence of infestation or prior treatment of, structural damage or poor workmanship</li> </ul>

- HUD Requires Properties be **Safe, Sound and Secure** for FHA insurance
- Examples of repair or items in need of inspection:
  - Standing Water against foundation or Excessively Damp Basements
  - Hazardous Materials
  - Faulty Mechanicals (Electric, Plumbing or Heating)
  - Evidence of Structure Failure (Settlement, bulging foundation, unsupported Joists, Cracks (larger than settlement))
  - Leaking or worn-out roofs
- Excess Land- Land that may be separated out (sold separately) for separate Highest and best use.- **MAY NOT** be given value in the report.
- Surplus Land- Not needed to support the subject, but may not be separated. May be assigned value.

#### Requirements for living units

- each unit must have a consistent and sufficient supply of safe potable water with adequate pressure
- sanitary facilities with a safe method of disposal
- at minimum we bathroom with a toilet, lavatory and bathtub or shower

- adequate space for healthful comfortable living conditions
- heating adequate for healthful and comfortable living conditions
- hot water
- electricity adequate for lighting, cooking and mechanical equipment used within the living unit

#### **Minimum size**

- FHA has no current minimum size requirements

#### **Access to living units**

- Access must be provided without passing through the other living unit
- Access to the rear yard must be provided without passing through any other living unit
- Security bars on bedroom windows and doors are unacceptable and let's they comply with local fire codes

#### **Accessory dwelling units (ADU's)**

- A habitable unit added to, created within or detached from a primary single-family dwelling which together constitute a single interest in real estate
- Accessory units are usually subordinate in size, location and appearance to the primary house
- May or may not have separate means of ingress and egress
- Only one accessory unit is permissible in a dwelling
- The living area must not be included the gross living area of the home.

#### **Additions and converted spaces may be included in the gross living area provided**

- Areas accessed from the interior of the main dwelling functional manner
- Has a permanent and sufficient heat source
- Was built in a manner that a similar in design, peeled quality of construction with the main dwelling
- areas that do not meet the above criteria be addressed as a separate line item in the report

#### **Bedrooms**

- Bedrooms must have a window or door that can accommodate and dress in a dress especially in emergency situations.
- A closet is not required, but if expected in the market, the appraiser must discuss the lack of, cost to cure and any negative impact on value or marketability

#### **Mechanical components**

- the appraiser must inspect and test mechanical systems of the home which include plumbing, heating and electrical. The appraiser must operate the system to note the defects in their operations.
- If the appraiser notes an inoperable system and the appraisal must be conditioned to the repair further inspection.

