



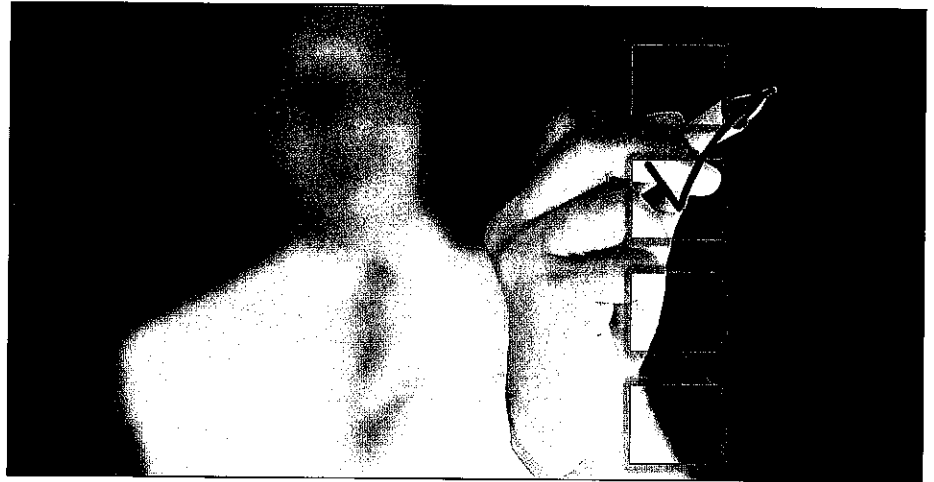
APPRAISING

Have an appraisal-related question?
Email information@reversereview.com

Meeting the FHA/HUD Minimum Property Requirements

CHARLES GRESS

While most homeowners may think a reverse FHA mortgage is a cinch, you can often be denied the loan if your home does not meet the FHA/HUD Minimum Property Requirements (MPRs). Loan officers, underwriters and homeowners can ask several quick questions to ascertain whether or not a home meets the MPRs during the appraisal walk-through. We spend time measuring, taking photos and checking to make sure the home is indeed FHA compliant. The appraiser's visit to the property usually takes about 30 to 40 minutes, depending on the size and condition of the home. Below are some of the most common MPR items requiring repair.



❶ **Does the home (if built prior to 1978) have any defective paint surfaces?**

This is the most common repair note we see in the field, usually around old wooden windows, doors, trim and the exterior of the house or garage. Make sure there are no defective paint surfaces anywhere on the site.

❷ **Are there any potential safety hazards that could endanger the occupants?**

The most common safety hazards are any steps on site with three or more risers that have no handrail; unsecured doors leading to a large drop off the back of the home; broken windows on the home, garage or any outbuilding; water heaters without a pressure release pipe connected to the pressure relief valve; and raised

ACCORDING TO CHARLES



Loan officers, underwriters and homeowners can ask several quick questions to ascertain whether or not a home meets the MPRs during the appraisal walk-through.

❸ **Are all of the utilities on?**

If the home does not have all the utilities turned on, this will result in a mandatory reinspection of the subject property while all utilities are on. The appraiser will have to make another trip back to the property and document that all utilities are on and all the amenities (furnace, water heater, plumbing, etc.) pertaining to these utilities are in working order.

❹ **Does the roof show any signs of leaking or appear to have an economic life of less than two years?**

Most appraisers will call for a second inspection when this is the case. If there are obvious signs of curling shingles, missing shingles or water stains on the ceiling, then you must have the roof

or cracked concrete driveways or walkways that could cause someone to trip.

inspected and given a clean bill of health before closing the loan.

❺ **Make sure the appraiser has access to the attic, all rooms, any crawl spaces and the garage at the inspection.**

At a minimum, the appraiser must enter his head and shoulders into the attic. The appraiser also must inspect for insulation, deficient materials, leaks or readily observable evidence of significant water damage, structural problems, previous fire damage, FRT sheathing, exposed and frayed wiring, and adequate ventilation by vent, fan or window. Make it easy for the appraiser to have access to the screwed-in crawl space or small scuttle to the attic by providing a ladder.

Following these easy tips can ensure a successful closing on any FHA reverse mortgage. Make it a point to prescreen your prospective clients about the condition of their home; it may just save the deal. x

