

What does an FHA appraiser look for? A general list

By John Henderson

Using an FHA mortgage to buy or sell a property can be a smart idea. FHA mortgages will usually allow a broader group of potential buyers to purchase a home. They usually require less downpayment, lower credit scores and some closing costs can be financed. An FHA mortgaged home always requires an FHA inspection. The FHA inspection is not a substitute for a regular home inspection. It only determines whether the home fits into the loan specifications. FHA is primarily concerned that everything in the house functions properly and that there are no health and safety issues. The basic concept of meeting FHA minimum requirements is that everything must work as it was designed to work. Here is a general list of what an FHA appraiser looks for during an inspection:

Pre-inspection: All utilities need to be turned on to test systems and appliances.

Exterior/Structure: FHA requirements apply to ALL buildings on the property including sheds and garages. A roof should not be leaking and needs to have at least two years of economic life left. FHA will accept a maximum of 3 layers of existing roofing. If more than 2 layers exist and repair is necessary, then all old roofing must be removed as part of the re-roofing. Paint must not be chipping, peeling, or flaking. Defective paint should be scraped and repainted (with no wood chips on the soil). Soffits and eaves must be intact. Graffiti Removal: FHA states graffiti on the house must be removed because it is a safety issue. 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. All interior and exterior stairways must have railings. There should be proper drainage around the perimeter of the house.

Interior Notes: 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. Smoke detectors & carbon monoxide detectors are required insofar as required by local code. 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. Any active termite infestation needs to be cured.

Electrical: Electrical outlets must work (outlets should have a cover plate also). No dangling wires from missing fixtures or anywhere else.

Water: 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. Toilets must flush and be mounted.

HVAC: The heating unit must be in working order (and AC if applicable). FHA doesn't require air conditioning, but if present the system should work as intended. There must be a fixed heat source in every room of the home such as radiators or forced air registers.

Appliances: All appliances in the sale must function properly.

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