

FHA APPRAISAL GUIDELINES

(Revised 3/27/2014)

(These guidelines are in addition to our general appraisal guidelines)

- The FHA case number must be printed on EVERY page of the report. This includes cover page, photo pages, maps, etc. This is a lender requirement and is mandatory.
- Appraiser must be FHA certified. Report cannot be co-signed.
- Make sure that exterior photos show all sides of the subject.
- On a purchase transaction and/or vacant property, call agent and/or contact person to verify that all utilities are on before doing inspection.
- Appraisal must mention whether or not utilities and/or mechanical systems are in good working order. All utilities must be tested (water, electrical, gas).
- If subject has attic and/or crawlspace, they must be inspected. **A comment needs to be in the report stating that this visual inspection took place and whether or not there were any adverse conditions.**
- If utilities and/or mechanical systems cannot be tested or are not in good working order, the report must be made "subject to" further inspection.
- **The appraisal must state whether the subject meets FHA/HUD minimum requirements.**
- If subject is a condo, a comment must be added stating your opinion of estimated remaining economic life. We would prefer to see this comment in the reconciliation section of Form 1073.
- Pursuant to FHA/HUD requirements, report must contain original comparable photos taken by appraiser. MLS photos are not a substitute for original photos. MLS photo may be included in addition to original photo(s) taken by appraiser.
- Appraiser must include property sketch including exterior dimensions of house, patios, porches breezeways and other on-site improvements. Patios, porches and breezeways must be labeled as either covered or uncovered.
- If property being sold as a "flip" (less than 90-days since the seller acquired the home), appraiser must explain what renovation, repair and rehabilitation, if any, has been completed since the seller acquired the home.
- Appraiser must verify that subject has working smoke detector(s).
- If subject is legally required to have carbon monoxide detector(s), appraiser must verify the presence and working condition of the detector(s). If CO detector(s) is/are present appraiser must provide photo(s) of said detector(s).