



Most common areas of concern on FHA Loan appraisals

As many of you are aware, FHA has Minimum Property Requirements (MPR) which must be met in order to obtain a FHA loan. When inspecting the home the appraiser reviews the FHA Loan requirements set forth including items that affect the safety, security or soundness of an Arizona property. If there are items that need to be addressed the appraisal will be "subject to" the required repairs. Typically the FHA lender will require the repairs be completed and the home re-inspected by the appraiser prior to close of escrow (not applicable on HUD REO's).

I'm often asked for a list of items that FHA appraisers are required to address when appraising an Arizona home in which the buyer is obtaining a FHA loan. The following is a brief list of the most common areas of concern.

- **Mechanical Systems:** furnace/heating, air conditioning and electrical systems need to be on and working. There cannot be any exposed electrical wiring.
- **Plumbing Systems:** water needs to be on in the house and the hot water must be hot. (Pilot light will need to be on for hot water).
- **Roof:** cannot have missing tiles or shingles, cannot have signs of leaking or deterioration of roofing material. Must have 2 years remaining life.
- **Grading & Drainage:** cannot have standing water near the home and must have positive drainage from the home.
- **Lead Based Paint:** homes built prior to 1978 cannot have peeling paint.
- **Wood Destroying Insects:** evidence of wood destroying insects (termites) must be addressed by a professional.
- **Attic:** must have access.
- **Pool:** must be filled & functioning.

Monday, July 4th we'll celebrate 235 years of our Country's Declaration of Independence from Great Britain. Traditionally Americans celebrate with parades, fireworks, and backyard BBQ's with family and friends. Here are a few interesting fun facts to ponder this 4th of July ☺

- *In July 1776 it was estimated that there were 2.5 million people living in the newly independent nation. This 4th of July, we'll be at 311.7 million people!*
- *\$93.2 billion was the value of trade between the United States and the United Kingdom last year making the British, our adversary in 1776, our sixth-leading trade partner!*
- *\$190.7 million is the value of fireworks the US imported from China last year!*

Wishing you and yours a safe holiday weekend ahead; be sure to get the sunscreen out...it's going to be a hot one!

~ Kelly

Quote of the week: Motivation is the spark that lights the fire of knowledge and fuels the engine of accomplishment. It maximizes and maintains momentum. ~ Zig Ziglar

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