

Final Test Questions for FHA Appraisal Exam

1. VC requirements limit required repairs to those items necessary to:
2. If unable to view inspection and improvement in its entirety, the appraiser must:
3. VC-1 asks if there are "Overhead high voltage transmission lines within engineering (designed) fall distance." For the purposes of VC-1, what is an acceptable distance from the base of the tower?
4. When a property lacks connection to a public water supply, the appraiser must condition the appraisal on connection to a public supply, assuming:
5. Which of the following is **NOT** a requirement under VC-6 (Private Road Access and Maintenance)?
6. If the floor support system shows evidence of damage the appraiser will:
7. To ensure against conditions that could cause the building to deteriorate, all of the following are true **EXCEPT**:
8. In order to examine the roof, the appraiser should at a minimum:
9. Based on Handbook 4150.2, if a dwelling's primary heat source is a wood-burning stove:
10. During the summer, examination of the heating system must include:
11. It is a requirement that there is an installed heat or cool-air source:
12. The appraiser must flush toilets and run faucets to:
13. The appraiser's observation of the plumbing system must include all of the following **EXCEPT**:
14. In observing the electrical system the appraiser must:
15. Which of the following statements is true regarding garage doors?
16. In checking for health and safety deficiencies, the appraiser must operate:
17. Because of potential lead paint hazards, if the house was built before 1978, the appraiser should:
18. What is the owner-occupancy standard in a condominium project?

19. What is the completion standard for a condominium project?
20. A HUD/FHA Section 203 (k) mortgage **CANNOT** be used to:
21. The minimum threshold for required repairs under the Section 203 (k) program is:
22. For HUD/FHA appraisals, a Section 203 (k) appraisal requires:
23. "Eligible improvements" on a Section 203 (k) loan would **NOT** include:
24. A Section 203 (k) Consultant does **NOT**:
25. Which property type is **NOT** eligible for Section 203 (k) financing:
26. The subject property for a HUD/FHA Section 203 (k) mortgage:
27. In addition to the Uniform Residential Appraisal Report (URAR), the following documents must be submitted with **EVERY** FHA appraisal:
28. Appraisers should **NOT** require repair items that:
29. Which of the following would **NOT** be considered a required repair item:
30. On a 10-year-old, two-living-unit property, HUD/FHA requires as a minimum the following approach to value:
31. Before performing an appraisal on a property involving new or proposed construction, the appraiser must have the following documents:
32. A fully completed Builder's Certification form:
33. What repair items are required on a streamline refinance?
34. The minimum floor area for a manufactured home is:
35. After what construction date is a manufactured home acceptable?
36. Which road surface is NOT acceptable for HUD/FHA purposes?
37. HUD's requirements for a private road include:
38. What type of septic system is **NOT** acceptable?
39. What is the minimum distance between the private well and the septic tank for new construction?

40. The cost approach should be used in which of the following circumstances:
41. The cost approach for the HUD appraisal must be completed for:
42. Excess land is:
43. The appraisal of a property with excess land should:
44. The appraiser can be removed from the FHA register for six months to one year for square footage calculation errors of more than what percentage:
45. HUD does not discriminate in the selection of the appraiser on the basis of:
46. Ways to avoid discrimination, or to not encourage discrimination by others, include all of the following, **EXCEPT**:
47. Appraisers must be aware of Fair Housing regulations because:
48. A lender may request a reconsideration of the appraised value when:
49. Who is authorized to send additional comparables to the appraiser in HUD's reconsideration of an appraisal?
50. A vapor barrier for a crawl space is required when:
51. HUD requires repair of:
52. An existing property **MUST** always be rejected when:
53. Functional obsolescence is more likely to be present when the subject property:
54. An interior floor plan drawing is required when:
55. An appraisal performed under HUD general acceptable criteria for existing dwellings are to be done:
56. Which of the following properties would not require a termite inspection
57. A defective roof with _____ layers of all old shingles must be removed before re-roofing.
58. If observed deficiencies exist in the property the appraiser must note them on this:
59. Required repairs are limited to those necessary to preserve:

60. All homes built prior to 19__ may contain lead paint
61. The _____ has the primary responsibility to determine if general acceptability criteria have been met prior to a loan.
62. A site must be graded to provide positive, rapid drainage away from perimeter walls of the dwelling and prevent:
63. Which of the following is **NOT** a Health and Safety deficiency?
64. FHA requires a minimum living area for all types of homes, other than manufactured housing:
65. The Cost Approach is required on FHA appraisals:
66. HUD's "3-S" Rule means:
67. Which of the following, if any, properties are not eligible for the 203K program?
68. Which of the following, are eligible property improvements under the 203K program for the first \$5000 in repairs?
69. A 203K mortgage may be originated on a mixed-use residential property, provided:
70. What is the maximum percentage of commercial use permitted for a two-story building under the 203k program?
71. The Income Approach is always required if the property:
72. Which of the following is important for the HUD reviewer to keep in mind?
73. An interior floor plan drawing is necessary.
74. What should the appraiser do if at the time of inspection if repairs are in process?
75. Based on HUD's Handbook 4150.2, the verification process of comparable sales includes:
76. Which of the following conditions is not a consideration?
77. A comparable sale sold for \$ 108,000 with a FHA mortgage of \$100,000. The seller verified that "they paid 3 points" to the lender. What is the "net sale price"?
78. The most similar income property comparable sale had a sale price of \$110,000. It had rents of \$500 for each unit. The \$110,000 comparable is similar to the duplex style of the subject, but the subject's rents are slightly lower (\$475 per month) because they are smaller units. What is the indicated value for the subject, using a GRM? (rounded)

79. When the appraiser completes the cost approach for proposed construction, a marketing expense ratio of ___% is required.
80. The valuation condition segment sheet includes all but one of the following:
81. HUD defines Gross Living Area as :
82. According to HUD 4150.2 which square foot method is the most applicable for estimating replacement cost new:
83. Which of the following complete and make the following statement correct:
"All flat roofs require _____?"
84. Any departure from HUD requirements should:
85. Which is the preferred method for developing the cost new of the existing subject improvements?
86. The appraiser must certify that the appraised value is based on the following:
87. When an appraiser finds a property in a condominium project that was not approved he/she should:
88. New single family construction requires:
89. Three and four family new construction requires:
90. The building sketch must show:
91. FHA requires the land value:
92. Final reconciliation is:
93. An appraisal reporting violation which has a square footage error of more than 10%, as a first offense will result in:
94. Failing to accurately report defects that costs over \$5,000 to repair will result in (as a repeated offense):
95. Failing to recognize property in a special flood hazard area could result in:
96. Security bars on bedroom windows are acceptable if:
97. In the Site section of the sales comparison grid section the appraiser must enter which of the following as a response:
98. In the condition section of the Sales Comparison Grid section, the appraiser should make an adjustment for:

99. Comparable sales used in the appraisal must not be older than:
100. Adjustments to comparable sales must be:
101. Generally, a single line item adjustment on the URAR should not exceed:
102. A dwelling located in proximity to an underground high-pressure gas line is:
103. If appraising a single family home as a HUD real estate owned (REO), the appraiser must:
104. The "effective date" of an appraisal is:
105. For the typical HUD real estate owned (REO) property, the preferred "approach" to value is the:
106. On a FHA streamline refinance, which would not be considered a required repair?
107. When appraising a manufactured house, the appraiser cannot find the Federal Manufactured Home Construct & Safety Standard labels (tags) because the manufactured house (mobile home) has been bricked on the exterior veneer. The appraiser must:
108. Upon completion of the exam, the appraiser is placed on the FHA register for:
109. The selection of the appraiser is made by the:
110. The fee paid for the appraisal is:
111. The fee for a real estate appraisal must **NOT** include:
112. Under HUD guidelines, the fee for an appraisal is based upon:
113. The appraiser is required to state the full market assessed value in the:
114. The subject property is located in an area that is subject to hazards, which can not be cured. The appraiser must:
115. Assuming the current assessment does not represent the full market assessed value, the appraiser must have the which of the following to estimate the full market assessed value:

116. During the site visit the appraiser finds a property located next to a highly traveled roadway. The traffic noise is considerable yet several homes have sold on this same street. Access and the traffic flow are generally considered safe. According to HUD's Handbook 4150.2 the appraiser must:
117. Typically high-voltage power transmission lines are characterized as;
118. This type of property is not permitted within the 100-year floodplain.
119. The following photographs are required for an appraisal.
120. The appraiser must consider easements in the appraisal by:
121. According to HUD handbook 4150.2, gross living area includes the following types of space:
122. According to HUD's Handbook 4150.2, the analysis of conformity to the neighborhood for appraisal purposes requires:
123. The remaining economic life must:
124. The appraiser is responsible to determine the municipal zoning codes in order to:
125. Signs of soil contamination include the following:
126. According to HUD's Handbook 4150.2, the water supply for each living unit must contain the following:
127. The location of a domestic well must be:
128. Defective conditions in a property are characterized as:
129. If the roof must be repaired and there are already too many layers of shingles:
130. According to HUD's Handbook 4150.2 , the minimum distance between single family detached homes is:
131. HUD permits security bars in the windows of bedrooms under the following conditions:
132. One unit of a two-unit property is currently leased through the valuation date, while the remaining unit, which is much smaller, is owner occupied. The property rights appraised are:

133. During the site visit the appraiser notes several items which need to be repaired. Correcting all of the deficient items would require a major rehabilitation and repair costs are too extensive to estimate. The appraiser should:
133. What criteria does HUD permits the use of comparable listing in the sales comparison approach?
135. The fee for a real estate appraisal must not include:
136. The fee for an appraisal is based upon:
137. The selection of comparable sales is based upon the verification of the conditions of sale. The most applicable sales are generally:
138. The proper order of adjustments is:
139. The Income Approach is **NOT** required for the following property type.
140. The Income approach used for HUD relies upon the Gross Rent Multiplier (GRM). Which component is **NOT** required to calculate this multiplier?
141. The final analytical step is to reconcile the different approaches to value. According to HUD's Handbook 4150.2, the reconciliation must:
142. The Comprehensive Valuation Package (CVP) consists of the following three parts:
143. The purpose of the Home Buyer Summary is to:
144. The appraisal file must include all of the following items, **EXCEPT**:
145. HUD will monitor appraiser's performance using:
146. According to HUD's Handbook 4150.2, appraisal performance measures will include:
147. According to FIRREA the threshold for requiring state-certified appraisers is \$250,000. Therefore HUD requires all appraisals performed for FHA to
148. Under the competency rule, HUD will permit all FHA Register Appraisers to perform appraisals for manufactured homes under which one of the following conditions:
149. All appraisers on the FHA Register must have a current state appraisal license. HUD also requires all appraisers to:
150. The four tiers of sanctions are:

151. A residential development should be processed as a Planned Unit Development (PUD) if it has one of the following minimum characteristics.
152. The approved list of condominium projects are available from the:
153. The appraiser is required to state the exposure period on the appraisal. The exposure period is defined as:
154. The previous sales history for a residential property must be considered and disclosed in the appraisal for _____ prior to the valuation date.
155. In developing the cost approach for properties on tribal trust lands:
156. In developing an appraisal for a single family home located on tribal trust land, HUD permits the appraiser to:
157. According to HUD's Handbook 4150.2, the appraiser may increase the value of a new or existing home by ___ for solar energy systems, assuming a full conventional back-up system.
158. The appraisal file must include all of the following items, **EXCEPT**:
159. HUD will monitor appraisers performance using:
160. According to HUD's handbook 4150.2, performance measures used to measure appraisers will include:
161. The subject property has an assessment and taxes well above comparable properties in the local market. The appraiser is required to:
162. If there is no method to relate the assessment to a full assessed market value or there is not a current assessment for properties such as new construction, then the appraiser must enter _____ on the VC form.
163. A letter may be obtained from a state authority stating that an oil or gas well on the subject property has been safely and permanently abandoned. If such a letter is not provided, the dwelling must be located at least ___ from the abandoned well.
164. Evidence of sinkholes or subsidence can include the following:
165. Flood maps are available from FEMA and Special Flood Hazard Areas (SFHA) have the following designations.
166. During the site visit, the appraiser walks the property line and sees that a garage and fence from an adjacent property has been built extending on to the subject property. The appraiser must:

167. The appraiser is required to access the attic to visually examine for:
168. According to HUD's Handbook 4150.2, the requirements for mechanical systems include:
169. According to HUD's Handbook 4150.2, the requirements for mechanical systems include all of the following, **EXCEPT**:
170. Conventional heating systems are required to maintain at least __ in areas containing plumbing systems.
171. According to HUD's Handbook 4150.2, utility service must have all of the following, **EXCEPT**:
172. According to HUD's Handbook 4150.2, the following classifications of properties must comply with CABO Model Energy Code concerning energy efficiency standards and insulation.
173. In the property address section the appraiser is required to list the:
174. In the neighborhood section of the URAR the appraiser is required to list the:
175. In the neighborhood section of the URAR the appraiser is required to list the:
176. The subject property has a private well, the appraiser is required to check "yes" for VC-4 (Sewer & Water Supply) and require a:
177. The subject property has a community sewer system, the appraiser must always check ___ for VC-4 (Sewer & Water Supply).
178. According the HUD's Handbook 4150.2, evidence of termite infestation includes all of the following, **EXCEPT**:
179. Evidence that a private road or drive is required for VC-6. Evidence can be one of the following:
180. During the site visit, the appraiser finds a negative physical condition that does not require repair or inspection. Therefore, the appraisal must be based upon the:
181. For each specific item marked "YES" for VC-2 through VC-11 indicates a:
182. The homebuyer must receive a copy of the Homebuyer Summary Form that the _____ prepares and the _____ submits to the buyer.
183. If a supervisory appraiser and the appraisal trainee both prepare an appraisal report:

184. If an appraiser is sanctioned by HUD for an action that also violates USPAP, HUD will refer the administrative record to:

185. The FHA reviews appraiser performance and has four tiers of sanctions. Optional actions can include all of the following , **EXCEPT:**

186. The appraiser has a contractual responsibility to the:

187. The appraiser is required to identify the following intended users:

188. Basement apartments can be included in the gross livable area if the following requirements are met, **EXCEPT:**

189. The standard used to describe the extent of the appraisers inspection procedure for compliance with minimum property standards; is:

190. Section 223(E) is a mortgage insurance program specifically designed for:

191. HUD waives the following requirement for loans under the Section 223(E) mortgage insurance program:

192. The appraiser is required to state the current owner on the URAR. If the dwelling is not occupied by the current owner, the appraiser must provide the:

193. The borrower selects a HUD approved 203K Consultant to do all of the following, **EXCEPT:**

194. A conflict of interest can included one of the following situations:

195. The URAR prepared for HUD is considered a _____ report and a _____ analysis, under USPAP standards.

196. The levels of severity for all of the levels of violations listed in HUD's Handbook 4150.2 include the following, **EXCEPT:** .

197. Appraisal questions and comments can be directed to:

198. According to HUD's Handbook 4150.2, the special assessment is calculated:

199. New and proposed construction within Runway Clear Zone is:

200. According to HUD's Handbook 4150.2, the subject dwelling or related property improvement must be at least ___ feet from the outer boundary of the pipeline easement