

Lender Data Capture Guidance for ECHO Users

Single Family Appraisal Subsystem
(SASS)



January 4, 2000

Version 1.1

Module 1: Appraisal Logging Screen

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APPRAISAL LOGGING SCREEN

Purpose

The **Appraisal Logging** screen is used to enter appraisal information that is gathered by Single Family appraisers. This appraisal is written on one of two different forms, the new *Comprehensive Valuation Package* (Appendix A) or the old *The National Valuation Condition (VC) Sheet* (Appendix B).

The purpose of this document is to introduce the new fields on the **Appraisal Logging** screen. This includes describing the definition of each field on the screen and the required format for entering information to the screen. It also details where to find the information on both the new and old forms and how to enter it into the **Appraisal Logging** screen.

Objectives

Upon completion of this module, participants will be able to:

- Understand the different fields on the **Appraisal Logging** screen and the way data must be entered into the fields.
- Enter data into fields on the **Appraisal Logging** screen from the two available forms.

Document Overview

The document is divided into topics. The first topic is the field definitions and includes pictures of the screen to show where the fields are located. The format for entering the data is also described.

The next two topics show where to find the information on the various forms and where to enter that information on the **Appraisal Logging** screen. Pictures of the screen are included to show where the fields are located and sample forms are included in the appendices. The forms identify where the information is found.

Note that Topic 2 addresses use of both the new and old forms while Topic 3 addresses use of only the old *National Valuation Condition (VC) Sheet* form.



TOPIC 1: FIELD DEFINITIONS OVERVIEW

Purpose

The following document contains definitions for all of the fields on the **Appraisal Logging** screen.

The field definitions include the purpose of the field as well as the information that is entered into the field. The required format for data entry is also included.

An asterisk (*) next to the field name indicates a new field.



Retrieve data for this case later.
 Retrieve data for this case now while online. Case Number:

Appraiser

Address:.....

Assigned:.....

Actual:..... Received date:.....

APPRAISER INFORMATION - INFORMATION ABOUT THE APPRAISER IS ENTERED INTO AND DISPLAYED ON THIS SECTION OF THE SCREEN

Note: The first three fields (Case Number, Address, and Assigned) are pre-filled with the information when the screen is pulled up. This information cannot be changed.

Case Number - The Case Number identifies/references the FHA case.

Address - The Address is the property address with subdivision/condo name, ID, and phase, if it applies.

Assigned - The Assigned is the Appraiser ID, or license number, and full name of the assigned appraiser.

Actual - The Actual field is the appraiser's ID or license number, beginning with a state abbreviation (such as MD) followed by a state issued license number. This field can only hold twenty-two letters and numbers. This is a required field.

Received Date - The Received Date is the date the appraisal was received. The date must be entered as MM/DD/YY.



Standard Property			
Location	Building type	Foundation	Parking
S- Suburban	D- Detached	B- Basement	1CP- 1 car carport
Sale date: 03/15/99	% 1 family: 100	Site area: sq. ft.: 8000	
Rooms: 8	% 2-4 Family: 0	Living area: 9000	
Baths: 2.0	% Multi family: 0	Neighborhood price: \$ 50000	
Bedrooms: 3	% Commercial: 0	Site value: \$0	
% Owned: 100	Acres: 0.	Appraised value: \$150000	
<input type="checkbox"/> Manufactured Housing	<input type="checkbox"/> Central Air	Date appraised: 03/17/99	

STANDARD PROPERTY FIELDS - INFORMATION ABOUT THE PROPERTY IS ENTERED INTO AND DISPLAYED ON THIS SECTION OF THE SCREEN

Location - The Location field is the type of neighborhood where the property is located. The field is a drop-down menu listing three possible location choices: Urban, Suburban, or Rural. This is a required field.

Building Type – The Building Type field is the type of dwelling structure. The field is a drop-down menu listing with four menu choices: Detached, Semi-Detached, Row, or Condo. It is a required field.

Foundation - The Foundation field is the type of property foundation. This field is a drop-down menu listing three possible choices: Basement, Concrete Slab, or Crawl Space. This is a required field.

Parking - The Parking field is the type of parking facility. The field is a drop-down menu listing nine choices: None, One-car garage, Two-car garage, Three-car garage, Four-car garage, One-car carport, Two-car carport, Three-car carport, Four-car carport, or Driveway. This is a required field.

Sale Date - The Sale Date is the date the contract is ratified. The date must be entered as MM/DD/YY. This field is required for Non-HECM (Home Equity Conversion Mortgage) and Non-Refinance cases. The field is not required for Refinance cases.

Rooms - The Rooms field is the total above grade number of rooms in the dwelling. This field can only hold two numbers. This is a required field.

Baths - The Baths field is the total above grade number of bathrooms in the dwelling. The number must be between 0.5 and 9.5, where 0.5 is a half-bath. The numbers must include one decimal place (for example 1.5). This is a required field.



Standard Property			
Location	Building type	Foundation	Parking
S- Suburban	D- Detached	B- Basement	1CP- 1 car carport
Sale date: 03/15/99	% 1 family: 100	Site area: sq. ft.: 8000	
Rooms: 8	% 2-4 Family: 0	Living area: 9000	
Baths: 2.0	% Multi family: 0	Neighborhood price: \$ 50000	
Bedrooms: 3	% Commercial: 0	Site value: \$0	
% Owned: 100	Acres: 0 .	Appraised value: \$150000	
<input type="checkbox"/> Manufactured Housing	<input type="checkbox"/> Central Air	Date appraised: 03/17/99	

Bedrooms - The Bedrooms field is the total number of above grade bedrooms in the dwelling. This field can only hold two numbers. This is a required field.

% Owned - The % Owned field is the percentage of neighborhood dwellings that are occupied by their owners. The number entered should be a percentage between 1 and 100. This is a required field.

Manufactured Housing - The Manufactured Housing field indicates if the dwelling is a factory fabricated home and not a modular home.

Central Air - The Central Air field is if the dwelling has central air-conditioning.

% Land Use – The % Land Use fields are the distribution of land use as a percentage. Land use can be one of 4 types: single (1) family, 2-4 family, Multi, or commercial. The number entered in each field must be between 1 and 100, and the total of all 4 land use types may not exceed 100. These are required fields.

- **% 1 Family** - The 1 Family field is the percentage of land designed to house only one family.
- **% 2-4 Family** - The 2-4 Family field is the percentage of land designed to house from two to four families.
- **% Multi Family** - The Multi Family field is the percentage of land designed to house more than four families.
- **% Commercial** - The Commercial field is the percentage of land intended for business use, such as retail and wholesale stores, offices, restaurants, and hotels.

Acres - The Acres field is the total acreage of the property. This field should be used only if the site area is more than one acre. If the property is less than one acre the Site Area: sq. ft field should be used. This field can only hold six numbers.



Standard Property			
Location	Building type	Foundation	Parking
S- Suburban	D- Detached	B- Basement	1CP- 1 car carport
Sale date:.....	03/15/99	% 1 family:.....	100
Rooms:.....	8	% 2-4 Family:.....	0
Baths:.....	2.0	% Multi family:.....	0
Bedrooms:.....	3	% Commercial:.....	0
% Owned:.....	100	Acres:.....	0 .
<input type="checkbox"/> Manufactured Housing	<input type="checkbox"/> Central Air	Site area: sq. ft:.....	8000
		Living area:.....	9000
		Neighborhood price:.....	\$ 50000
		Site value:.....	\$0
		Appraised value:.....	\$150000
		Date appraised:.....	03/17/99

Site area: sq. Ft. - The Site area: sq. ft. field is the total square footage of the property. This field should be used only if the site area is less than one acre. If the site is more than one acre, the Acres field should be used. One acre is equal to 43,560 square feet. This field can only hold five numbers.

Living Area - The Living Area field is the total square footage of living area. This field can hold up to 4 numbers. This is a required field.

Neighborhood Price - The Neighborhood Price field is the average price for a dwelling within the neighborhood. The price may not exceed \$450,000. This is a required field.

Site Value – The Site Value field is the value estimate assigned by the appraiser in the cost approach. This is a required field for properties less than 13 months old.

* **Appraised Value** - The Appraised Value field is the appraised value of the property. The limit for this field is \$450,000 for Non-HECM (Home Equity Conversion Mortgage) cases. This is a required field.

Date Appraised - The Date Appraised field is the date the case was appraised. The date must be entered as MM/DD/YY. This is a required field.



REAC Property			
Form Type	Repair Cost	Assessed Mkt. Value	No. of Comparables
H- New VC Sheet	\$ 0	\$ 0	6

NOTICE TO THE LENDER FIELDS – INFORMATION ABOUT THE NOTICE TO THE LENDER IS ENTERED INTO AND DISPLAYED ON THIS SECTION OF THE SCREEN

* **Form Type** - The Form Type field indicates if the new Comprehensive Valuation Package or the old National Valuation Condition (VC) Sheet was used to complete the appraisal. The field is a drop-down menu listing the two VC forms: new VC or old VC. This is a required field.

* **Repair Cost** - The Repair Cost field indicates the estimated repair costs of the property. This field can only hold five numbers. This is an optional field if there is no repair cost listed on the form.

* **Assessed Market Value** - The Assessed Market Value field is the assessor's opinion of the property's full market value. This field can only hold six numbers. This is an optional field. If nothing has been entered on the form being used, you can leave this blank.

* **No. of Comparables** - The No. of Comparables field is the number of (comparable) properties that the appraiser used in the sales comparison of the property. The number has to be between 3 and 6. This is a required field.



Comparables:				
	Proximity	Distance	+/- Net Adj.	No. Adj.
1.	F- Feet	1000.00	+ \$ 0	0
2.	D- Adjacent		+ \$ 0	0
3.	B- Blocks	5.00	- \$ 1600	3
4.	D- Adjacent		+ \$ 0	0
5.	A- Across The Street		+ \$ 500	1
6.	B- Blocks	3.00	+ \$ 2500	4

COMPARABLE FIELDS – INFORMATION ABOUT THE COMPARABLES IS ENTERED INTO AND DISPLAYED ON THIS SECTION OF THE SCREEN

* **Proximity** - The Proximity field is the proximity (location or distance) of the comparable property used in the sales comparison from the appraised property. This field contains a drop-down menu listing seven choices: Across the Street, Adjacent to Property, Behind, Next Door, Blocks, Feet, and Miles. The number of Proximity fields entered must equal the number entered in No. of Comparables field. This is a required field.

Distance - The Distance field is a number field where the distance should be entered, if it applies. Distances of up to 25.00 blocks, 1000.00 feet, or 100.00 miles may be entered.

* **Net Adj.** - The Net Adj. field is the total net dollar adjustments made for property's amenities and/or features. The entered number may be up to five numbers and must be preceded by a "+" or "-" sign in the +/- field. The number of Net Dollar Adjustments fields entered must equal the number entered in the No. of Comparables field. This is a required field.

* **No. Adj.** - The No. Adj. field is how many adjustments were done for the comparable/property. The number entered must be between 0 and 15. The number of No. Adj fields entered must equal the number entered in No. of Comparables field. This is a required field.



Deficiencies: *Check if YES*

- Site Hazards
- Structural
- Private Road Access
- Soil Contamination
- Grading and Drainage
- Well, Septic, Water Supply
- Wood Destroying Insects
- Foundation
- Roofing
- Mechanical Systems
- General Health and Safety
- Deteriorated Paint

DEFICIENCIES FIELDS – INFORMATION ABOUT THE PROPERTY’S DEFICIENCIES IS ENTERED INTO AND DISPLAYED ON THIS SECTION OF THE SCREEN

Deficiencies present in a property are indicated by a check in the appropriate field. Thus boxes left unchecked denote no deficiency.

- * **Site Hazards** - This field indicates if the property is in a hazardous location.
- * **Structural** - This field indicates if the property has structural deficiencies.
- * **Private Road Access** - This field indicates if the property has private road access or maintenance problems.
- * **Soil Contamination** - This field indicates if the property has soil contamination.
- * **Grading and Drainage** - This field indicates if the property has grading and drainage problems.
- * **Well, Septic, Water Supply** - This field indicates if the property has well, individual water supply, or septic problems.
- * **Wood Destroying Insects** - This field indicates if the property has any wood destroying insects.
- * **Foundation** - This field indicates if the property has foundation deficiencies.
- * **Roofing** - This field indicates if the property has roofing deficiencies.



* **Mechanical Systems** - This field indicates if the property has mechanical systems problems.

* **General Health and Safety** - This field indicates if the property has any general health and safety deficiencies.

* **Deteriorated Paint** - This field indicates if the property has deteriorated paint.



TOPIC 2: ENTERING INFORMATION FROM THE COMPREHENSIVE VALUATION PACKAGE TO THE APPRAISAL LOGGING SCREEN

Purpose

This topic contains the procedures for entering information listed in the Uniform Residential Appraisal Report and the Notice to Homebuyer sections of the new *Comprehensive Valuation Package* into the **Appraisal Logging** screen.

The first section is the Uniform Residential Appraisal Report, the second section is the Notice to Lender, and the third section is the Notice to Homebuyer.



Entering information from the Uniform Residential Appraisal Report to the Appraisal Logging Screen

Using the *Uniform Residential Appraisal Report* section of the *Comprehensive Valuation Package*, enter the information found on the form into the listed field on the **Appraisal Logging** screen.

The name of the field on the document is listed in the FORM FIELD column of the table and the steps to take on the **Appraisal Logging** screen are listed in the SYSTEM FIELD and OPERATION column of the table.

The numbers in the FORM FIELD column correspond to a numbered version of the form found in Appendix A.

Standard Property

Location	Building type	Foundation	Parking
S- Suburban	D- Detached	B- Basement	1CP- 1 car carport
Sale date: 03/15/99	% 1 family: 100	Site area: sq. ft.: 8000	
Rooms: 8	% 2-4 Family: 0	Living area: 9000	
Baths: 2.0	% Multi family: 0	Neighborhood price: \$ 50000	
Bedrooms: 3	% Commercial: 0	Site value: \$0	
% Owned: 100	Acres: 0 .	Appraised value: \$150000	
<input type="checkbox"/> Manufactured Housing	<input type="checkbox"/> Central Air	Date appraised: 03/17/99	

FORM FIELD	SYSTEM OPERATION
1. Date of Sale	SALE DATE – Enter the date found in the Date of Sale field in the SALE DATE field.
2. Location	LOCATION - Select the Location from the drop down box in the LOCATION field.
3. Predominant Occupancy	% OWNED – Enter the information in the field into the % OWNED field.
4. Single Family housing Predominant Price	NEIGHBORHOOD PRICE - Enter the neighborhood housing price in the NEIGHBORHOOD PRICE field. If there is a range, enter the <i>average</i> price.



FORM FIELD	SYSTEM OPERATION
<p>5. Present Land use %</p> <p>One family 2-4 family Multi-family Commercial</p>	<p>% 1 FAMILY % 2-4 FAMILY % MULTI FAMILY % COMMERCIAL</p> <p>Enter the percentages found in each of the four fields on the form into the corresponding fields on the system.</p>
<p>6. Dimensions</p>	<p>SITE AREA: SQ. FT - Enter the square footage amount from the form to the SITE AREA: SQ. FT. field.</p> <p>This field should be used only if the site area is less than one acre.</p> <p>One acre is equal to 43,560 square feet.</p>
<p>7. Site Area</p>	<p>ACRES - Enter the acreage amount from the form to the ACRES field. The Acres field is the total acreage of the property.</p> <p>This field should be used only if the site area is more than one acre.</p>
<p>8. General Description -- Type (Det. / Att.)</p>	<p>BUILDING TYPE - Select the Building Type from the drop down box in the BUILDING TYPE field.</p>
<p>9. Exterior Description -- Manufactured House</p>	<p>MANUFACTURED HOUSING - Indicate that the dwelling is a factory fabricated home and not a modular home in the check box in the MANUFACTURED HOUSING field. If the dwelling is not a factory fabricated home leave the box blank.</p>



FORM FIELD	SYSTEM OPERATION
10. Foundation	FOUNDATION - Select the Foundation Type from the drop down box in the FOUNDATION field. If the Foundation is composed of various types, enter the type with the greatest percentage.
11. Rooms	ROOMS - Enter the number of above grade rooms in the dwelling in the ROOMS field.
12. Bedroom(s)	BEDROOMS - Enter the number of above grade bedrooms in the dwelling in the BEDROOMS field.
13. Bath(s)	BATHS - Enter the number of above grade baths in the dwelling in the BATHS field.
14. Square Feet of Gross Living Area	LIVING AREA - Enter the square footage of above grade gross living area in the LIVING AREA field.
15. Cooling – Central	CENTRAL AIR - Indicate that the dwelling has central air conditioning in the check box in the CENTRAL AIR field. If the dwelling does not have central air conditioning leave the box blank.
16. Car Storage	PARKING - Select the type of parking from the Parking drop down box in the PARKING field.
17. Estimated Site Value	SITE VALUE - Enter the site value in the SITE VALUE field.



REAC Property			
Form Type	Repair Cost	Assessed Mkt. Value	No. of Comparables
H- New VC Sheet	\$ 0	\$ 0	6

<p>18. Comparable No.1 Comparable No. 2 Comparable No. 3 Possible attachment</p>	<p>NO. OF COMPARABLES - Look at the form and count how many comparables were inspected. Enter this number in the NO. OF COMPARABLES field.</p>
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<u>Comparables:</u>				
	Proximity	Distance	+/- Net Adj.	No. Adj.
1.	F- Feet	1000.00	+ \$ 0	0
2.	D- Adjacent		+ \$ 0	0
3.	B- Blocks	5.00	- \$ 1600	3
4.	D- Adjacent		+ \$ 0	0
5.	A- Across The Street		+ \$ 500	1
6.	B- Blocks	3.00	+ \$ 2500	4

FORM FIELD	SYSTEM OPERATION
<p>19. Proximity to subject</p>	<p>PROXIMITY - Enter the measure used to determine the distance between the comparable property and the subject property. Select the measure from the drop down box.</p> <p>DISTANCE - Enter the numerical value of the distance between the comparable property and the subject property.</p>



FORM FIELD	SYSTEM OPERATION
<p>20. + (-) adjustment (column)</p>	<p>NO. ADJ - This field is how many adjustments were done for the comparable/property. You must count the number of adjustments listed in the Adjustment column and enter it into the NO. ADJ. field. The number entered must be between 0 and 15.</p>
<p>21. Net Adj. (total)</p>	<p>NET ADJ. - <u>For each comparable</u>, enter the number found in the Net Adj. (total) field on the form into the NET ADJ. field.</p> <p>The field defaults to (+); change the value to (-) if necessary.</p> <p>Note: Do not add the net dollar adjustments for each comparable together.</p>



Standard Property

Location	Building type	Foundation	Parking
S- Suburban	D- Detached	B- Basement	1CP- 1 car carport
Sale date: 03/15/99	% 1 family: 100	Site area: sq. ft.: 8000	
Rooms: 8	% 2-4 Family: 0	Living area: 9000	
Baths: 2.0	% Multi family: 0	Neighborhood price: \$ 50000	
Bedrooms: 3	% Commercial: 0	Site value: \$0	
% Owned: 100	Acres: 0 .	Appraised value: \$150000	
<input type="checkbox"/> Manufactured Housing	<input type="checkbox"/> Central Air	Date appraised: 03/17/99	

NOTE - If the “Date Appraised” field is dated after 2/1/00, the appraisal must have been completed using the new VC form. After 2/1/00, if the old form is selected in the “Form Type” field, an error message will occur when the user tries to submit the data.

FORM FIELD	SYSTEM OPERATION
22. I (we) estimate the market value...as of	DATE APPRAISED - Enter the date appraised found on the form in the DATE APPRAISED field.
23. I (we) estimate the market value, as defined...to be	APPRAISED VALUE - Enter the appraised value found on the form in the APPRAISED VALUE field.



Entering information from the Notice to Lender (Valuation Conditions Form) to the Appraisal Logging Screen

Using the Notice to Lender section of the *Comprehensive Valuation Package*—found in the Appendix on page A-4—enter the information found on the form into the listed field on the **Appraisal Logging** screen.

The name of the field on the document is listed in the FORM FIELD column of the table and the steps to take on the **Appraisal Logging** screen are listed in the SYSTEM and FIELD OPERATION column of the table.

REAC Property			
Form Type	Repair Cost	Assessed Mkt. Value	No. of Comparables
H- New VC Sheet	\$ 0	\$ 0	6

NOTICE TO THE LENDER

This information for 2 and 3 can be found on page A-6.

FORM FIELD	SYSTEM FIELD and OPERATION
1. N/A	FORM TYPE - Select the type of form that was used in the for this appraisal from the drop down box in the FORM TYPE field.
2. Provide a summary of estimated repair costs:	REPAIR COST - Enter the amount of the estimated repair costs found on the form into this field.
3. Provide the current full/market assessed value:	ASSESSED MKT. VALUE - Enter the amount of the assessed value found on the form into this field.

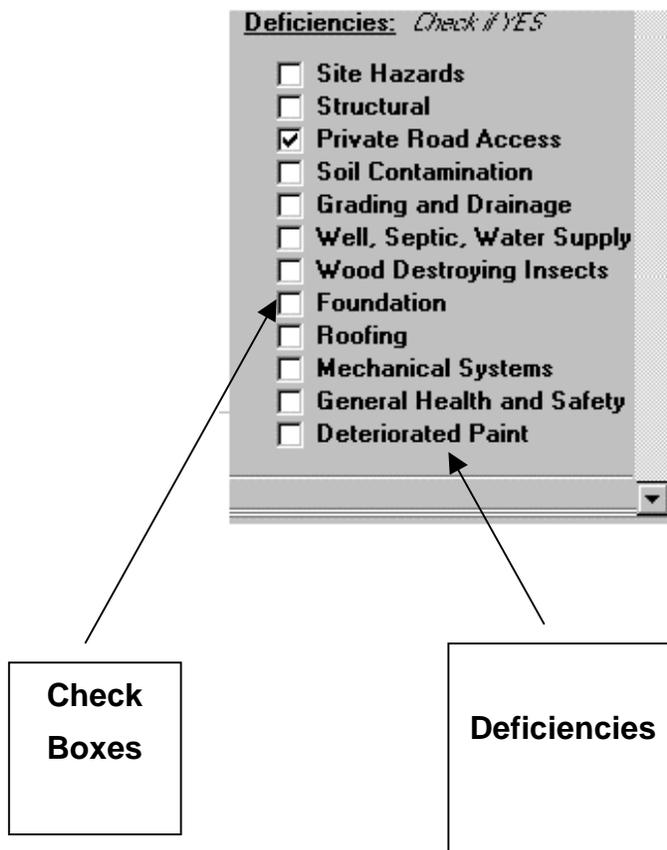


Entering information from the Notice to Homebuyer (Homebuyer Summary) to the Appraisal Logging Screen

Using the Notice to Homebuyer section of the *Comprehensive Valuation Package*—found in the Appendix on page A-8—enter the information found on the form into the listed field on the **Appraisal Logging** screen.

The name of the field on the document is listed in the FORM FIELD column of the table and the steps to take on the **Appraisal Logging** screen are listed in the SYSTEM and FIELD OPERATION column of the table.

The following is the **Deficiencies** section of the **Appraisal Logging** screen:



FORM FIELD	SYSTEM FIELD and OPERATION
1. SITE HAZARDS - If YES is on the form:	SITE HAZARDS - Click with the mouse on the check box next to SITE HAZARDS.
1. SITE HAZARDS - If NO is on the form:	SITE HAZARDS – Leave the check box next to SITE HAZARDS blank.
<hr/>	
2. STRUCTURAL DEFICIENCIES - If YES is on the form:	STRUCTURAL - Click with the mouse on the check box next to STRUCTURAL.
2. STRUCTURAL DEFICIENCIES - If NO is on the form:	STRUCTURAL - Leave the check box next to STRUCTURAL blank.
<hr/>	
3. PRIVATE ROAD ACCESS AND MAINTENANCE PROBLEMS - If YES is on the form:	PRIVATE ROAD ACCESS - Click with the mouse on the check box next to PRIVATE ROAD ACCESS.
3. PRIVATE ROAD ACCESS AND MAINTENANCE PROBLEMS - If NO is on the form:	PRIVATE ROAD ACCESS – Leave the check box next to PRIVATE ROAD ACCESS blank.
<hr/>	
4. SOIL CONTAMINATION - If YES is on the form:	SOIL CONTAMINATION - Click with the mouse on the check box next to SOIL CONTAMINATION.
4. SOIL CONTAMINATION - If NO is on the form:	SOIL CONTAMINATION – Leave the check box next to SOIL CONTAMINATION blank.
<hr/>	
5. GRADING AND DRAINAGE PROBLEMS - If YES is on the form:	GRADING AND DRAINAGE - Click with the mouse on the check box next to GRADING AND DRAINAGE.
5. GRADING AND DRAINAGE PROBLEMS - If NO is on the form:	GRADING AND DRAINAGE – Leave the check box next to GRADING AND DRAINAGE blank.



FORM FIELD	SYSTEM FIELD and OPERATION
6. WELL, INDIVIDUAL WATER SUPPLY AND SEPTIC PROBLEMS - If YES is on the form:	WELL, SEPTIC, WATER SUPPLY - Click with the mouse on the check box next to WELL, SEPTIC, WATER SUPPLY.
6. WELL, INDIVIDUAL WATER SUPPLY AND SEPTIC PROBLEMS - If NO is on the form:	WELL, SEPTIC, WATER SUPPLY – Leave the check box next to WELL, SEPTIC, WATER SUPPLY blank.
7. WOOD DESTROYING INSECTS - If YES is on the form:	WOOD DESTROYING INSECTS - Click with the mouse on the check box next to WOOD DESTROYING INSECTS.
7. WOOD DESTROYING INSECTS - If NO is on the form:	WOOD DESTROYING INSECTS – Leave the check box next to WOOD DESTROYING INSECTS blank.
8. FOUNDATION DEFICIENCIES - If YES is on the form:	FOUNDATION – Click with the mouse on the check box next to FOUNDATION.
8. FOUNDATION DEFICIENCIES - If NO is on the form:	FOUNDATION – Leave the check box next to FOUNDATION blank.
9. ROOFING DEFICIENCIES - If YES is on the form:	ROOFING - Click with the mouse on the check box next to ROOFING.
9. ROOFING DEFICIENCIES - If NO is on the form:	ROOFING – Leave the check box next to ROOFING blank.
10. MECHANICAL SYSTEMS PROBLEMS - If YES is on the form:	MECHANICAL SYSTEMS - Click with the mouse on the check box next to MECHANICAL SYSTEMS.
10. MECHANICAL SYSTEMS PROBLEMS - If NO is on the form:	MECHANICAL SYSTEMS –Leave the check box next to MECHANICAL SYSTEMS blank.



FORM FIELD	SYSTEM FIELD and OPERATION
11. GENERAL HEALTH AND SAFETY DEFICIENCIES - If YES is indicated on the form:	GENERAL HEALTH AND SAFETY - Click with the mouse on the check box next to GENERAL HEALTH AND SAFETY.
11. GENERAL HEALTH AND SAFETY DEFICIENCIES - If NO is indicated on the form:	GENERAL HEALTH AND SAFETY – Leave the check box next to GENERAL HEALTH AND SAFETY blank.
12. DETERIORATED PAINT - If YES is indicated on the form:	DETERIORATED PAINT - Click with the mouse on the check box button next to DETERIORATED PAINT.
12. DETERIORATED PAINT - If NO is indicated on the form:	DETERIORATED PAINT – Leave the check box button next to DETERIORATED PAINT blank.



TOPIC 3: ENTERING INFORMATION FROM THE OLD FORM, NATIONAL VALUATION CONDITION (VC) SHEET, TO THE APPRAISAL LOGGING SCREEN

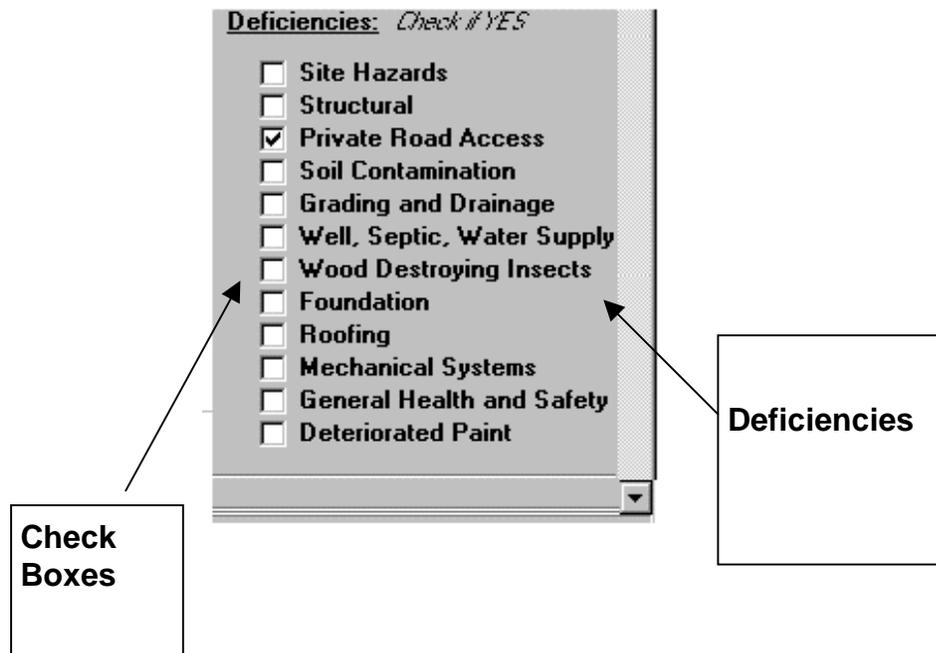
Enter information from the old form, *National Valuation Condition (VC) Sheet* (Appendix B), to the Deficiencies section of the Appraisal Logging Screen.

Using the *National Valuation Condition (VC) Sheet*, enter the information found on the form into the listed field on the **Appraisal Logging** screen.

The name of the field on the document is listed in the FORM FIELD column of the table and the steps to take on the **Appraisal Logging** screen are listed in the SYSTEM and FIELD OPERATION column of the table.

The FORM FIELD column gives you the location of the information on the form. A sample form is found in Appendix B. The form is divided into sections identified with “VC” and a sequential number. Each VC section on the form is identified with a shaded box.

The following is the Deficiencies section of the **Appraisal Logging** Screen:



Review the **Location Property Analysis Section** of the *National Valuation Condition (VC) Sheet*. Enter the information on the form into the appropriate field on the **Deficiencies** screen.

FORM FIELD	SYSTEM FIELD and OPERATION
If the line next to Location and Property Acceptable is checked:	SITE HAZARDS - Leave the check box next to SITE HAZARDS blank.
If the line next to Location223E/Property Acceptable is checked:	
If the line next to Location Rejected is checked:	SITE HAZARDS - Click with the mouse on the check box next to SITE HAZARDS.
If the line next to Location Rejected/Property Rejected is checked:	
If the line next to Location Rejected 223E/Property Rejected is checked:	
If the line next to Location and Property Rejected is checked:	



Review the **VC-1 Structural Defects Section** of the *National Valuation Condition (VC) Sheet*. Enter the information on the form into the appropriate field on **Deficiencies** screen.

FORM FIELD	SYSTEM FIELD and OPERATION
If the line next to foundation is checked in this section:	FOUNDATION - Click with the mouse on the check box next to FOUNDATION.
If the line next to floor support system is checked in this section:	STRUCTURAL - Click with the mouse on the check box next to STRUCTURAL.
If the line next to framing is checked in this section:	STRUCTURAL - Click with the mouse on the check box next to STRUCTURAL if you have not already clicked on it.
If the line next to roof is checked in this section:	ROOFING - Click with the mouse on the check box next to ROOFING.

Review the **VC-2 Attic - Basement - Crawl Space Section** of the *National Valuation Condition (VC) Sheet*. Enter the information on the form into the appropriate field on the **Deficiencies** screen.

FORM FIELD	SYSTEM FIELD and OPERATION
If the line next to attic is checked in this section:	STRUCTURAL - Click with the mouse on the check box next to STRUCTURAL if you have not already clicked on it.
If the line next to crawl space is checked in this section:	FOUNDATION - Click with the mouse on the check box next to FOUNDATION if you have not already clicked on it.
If anything is written in Part B:	FOUNDATION - Click with the mouse on the check box next to FOUNDATION if you have not already clicked on it.



Review the **VC-3 Grading and Drainage Section** of the *National Valuation Condition (VC) Sheet*. Enter the information on the form into the appropriate field on the **Deficiencies** screen.

FORM FIELD	SYSTEM FIELD and OPERATION
If this VC section is circled:	GRADING AND DRAINAGE - Click with the mouse on the check box next to GRADING AND DRAINAGE.
If this VC section is not circled:	GRADING AND DRAINAGE - Leave the check box next to GRADING AND DRAINAGE blank.

Review the **VC-4 Mechanical Systems Section** of the *National Valuation Condition (VC) Sheet*. Enter the information on the form into the appropriate field on the **Deficiencies** screen.

FORM FIELD	SYSTEM FIELD and OPERATION
If any of the utilities are checked in Part A OR ...If anything is written in Part B:	MECHANICAL SYSTEMS - Click with the mouse on the check box next to MECHANICAL SYSTEMS.
If none of the utilities are checked in Part A AND ... If nothing is written in Part B:	MECHANICAL SYSTEMS - Leave the check box next to MECHANICAL SYSTEMS blank.



Review the **VC-5 Private Road Access and Maintenance Section** of the *National Valuation Condition (VC) Sheet*. Enter the information on the form into the appropriate field on the **Deficiencies** screen.

FORM FIELD	SYSTEM FIELD and OPERATION
If anything is written on the Name of Road line:	PRIVATE ROAD ACCESS - Click with the mouse on the check box next to PRIVATE ROAD ACCESS.
If nothing is written on the Name of Road line:	PRIVATE ROAD ACCESS - Leave the check box next to PRIVATE ROAD ACCESS blank.

Review the **VC-6 Well, Individual Water Supply, and Septic Section** of the *National Valuation Condition (VC) Sheet*. Enter the information on the form into the appropriate field on the **Deficiencies** screen.

FORM FIELD	SYSTEM FIELD and OPERATION
If anything is checked or circled in this VC section:	WELL, SEPTIC, WATER SUPPLY - Click with the mouse on the check box next to WELL, SEPTIC, WATER SUPPLY.
If nothing is checked or circled in this VC section:	WELL, SEPTIC, WATER SUPPLY - Leave the check box next to WELL, SEPTIC, WATER SUPPLY blank.

Review the **VC-7 Lead Base Paint Hazard Section** of the *National Valuation Condition (VC) Sheet*. Enter the information on the form into the appropriate field on the **Deficiencies** screen.

FORM FIELD	SYSTEM FIELD and OPERATION
If anything is circled in this VC section:	DETERIORATED PAINT - Click with the mouse on the check box next to DETERIORATED PAINT.



If nothing is circled in this VC section:	DETERIORATED PAINT – Leave the check box next to DETERIORATED PAINT blank.
---	---

Review the **VC-8 Roofing Section** of the *National Valuation Condition (VC) Sheet*. Enter the information on the form into the appropriate field on the **Deficiencies** screen.

FORM FIELD	SYSTEM FIELD and OPERATION
If anything is circled in this VC section:	ROOFING - Click with the mouse on the check box next to ROOFING if you have not already checked it.
If nothing is circled in this VC section:	ROOFING – Leave the check box next to ROOFING blank. (Unless it has already been checked.)

Disregard **Sections VC-9 and VC-10** of the *National Valuation Condition (VC) Sheet*.

Review the **VC-11 Wood Infestation and Soil Poisoning Section** of the *National Valuation Condition (VC) Sheet*. Enter the information on the form into the appropriate field on the **Deficiencies** screen.

FORM FIELD	SYSTEM FIELD and OPERATION
If part A is circled in this VC section:	WOOD DESTROYING INSECTS - Click with the mouse on the check box next to WOOD DESTROYING INSECTS.
If part B or C are circled in this VC section:	WOOD DESTROYING INSECTS – Leave the check box next to WOOD DESTROYING INSECTS blank.



Review the **VC-12 Other Repair/Condition Items Seen by Appraiser Not Previously Listed Section** of the *National Valuation Condition (VC) Sheet*. Enter the information on the form into the appropriate field on the **Deficiencies** screen.

FORM FIELD	SYSTEM FIELD and OPERATION
If anything is written in this VC section:	GENERAL HEALTH AND SAFETY - Click with the mouse on the check box next to GENERAL HEALTH AND SAFETY.
If nothing is written in this VC section:	GENERAL HEALTH AND SAFETY - Leave the check box next to GENERAL HEALTH AND SAFETY blank.

Note: You are not required to complete the SOIL CONTAMINATION field on the **Deficiencies** screen.



Appendix A

Comprehensive Valuation Package (new)



Valuation Section

UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. 007

COST APPROACH

ESTIMATED SITE VALUE \$

ESTIMATED REPRODUCTION COST-NEW OF IMPROVEMENTS:

Dwelling Sq. Ft. @ \$ = \$

..... Sq. Ft. @ \$ = \$

..... Sq. Ft. @ \$ = \$

Garage/Carport Sq. Ft. @ \$ = \$

Total Estimated Cost New = \$

Less: Physical Functional External

Depreciation = \$

Depreciated Value of Improvements = \$

"As-is" Value of Site Improvements = \$

INDICATED VALUE BY COST APPROACH = \$

Comments on Cost Approach (such as: source of cost estimate, site value, square foot calculation and for HUD, VA and FHA, the estimated remaining economic life of the property):

SALES COMPARISON ANALYSIS

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3			
Address							
Proximity to Subject							
Sales Price	\$	\$	\$	\$			
Days/Weeks Living Area	\$	\$	\$	\$			
Date and/or Verification Source							
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+/- \$ Adjust.	DESCRIPTION	+/- \$ Adjust.	DESCRIPTION	+/- \$ Adjust.
Sales or Financing Concessions							
Date of Sale/Tenure							
Location							
Use/Type of Property							
Site							
View							
Design and Appeal							
Quality of Construction							
Age							
Condition							
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths	Total Bdrms Baths		
Room Count							
Gross Living Area	Sq. Ft.	Sq. Ft.		Sq. Ft.	Sq. Ft.		
Basement & Finished Rooms Below Grade							
Functional Utility							
Heating/Cooling							
Fronts/Efficient Items							
Garage/Carport							
Porch, Patio, Deck, Sunporch, etc.							
Fence, Pool, etc.							
Net Adj. Gratz							
Adjusted Sales Price of Comparable	\$	\$		\$	\$		

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.):

RECONCILIATION

INDICATED VALUE BY SALES COMPARISON APPROACH \$

INDICATED VALUE BY INCOME APPROACH (if Applicable) Estimated Market Rent \$ (Mo. x Gross Rent Multiplier) = \$

This appraisal is made "as is" subject to the repairs, alterations, inspections or conditions listed below subject to completion per plans & specifications.

Conditions of Appraisal:

Final Reconciliation:

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingents and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 450FIRAA form TCR42 (Revised _____)

(WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF _____ (WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ _____

APPRAISER: Signature: _____ Name: _____ Date Report Signed: _____ State Certification #: _____ State: _____ Or State License #: _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED): Signature: _____ Name: _____ Date Report Signed: _____ State Certification #: _____ State: _____ Or State License #: _____

Did Did Not Inspect Property



NOTICE TO THE LENDER

All required repairs must be completed in a professional manner, in compliance with HUD's guidelines and satisfied prior to closing. The lender is responsible for coordinating repairs. A professionally licensed, bonded, registered engineer, licensed home inspector or appropriately registered/licensed trades person, as applicable, must provide documentation that all deficiencies have been acceptably corrected upon completion of repairs.

THE LENDER IS REQUIRED TO TRANSMIT THIS APPRAISAL TO THE BORROWER/BUYER AS SOON AS POSSIBLE.

SITE CONSIDERATIONS

VC-1 SITE HAZARDS AND NUISANCES

Check the appropriate response for *readily observable* evidence of hazards. Hazards, as defined below, are conditions that endanger the health and safety of the occupants and/or the marketability of the property. Use these criteria to determine the extent of the hazard. Please refer to HUD Handbook 4150.2 Section 2-2 for unacceptable locations and the protocol in Appendix D of the Handbook for further guidance. If the required component is not visible during the site visit, provide a detailed comment.

Provide a description of yes responses on Page 4:

- a. Surface evidence of subsidence/sink holes
() yes
- b. Operating oil or gas wells within 300 feet of existing construction
() yes
- c. Operating oil or gas wells within 75 feet of new construction
() yes
- d. Abandoned oil or gas well within 10 feet of new/existing
() yes
- e. Readily observable evidence of slush pits
() yes
- f. Excessive noise or hazard from heavy traffic area
() yes
- g. New/proposed construction in airport clear zone
() yes
- h. High-pressure gas or petroleum lines within 10 feet of property
() yes
- i. Overhead high voltage transmission lines within engineering (designed) fall distance
() yes
- j. Excessive hazard from smoke, fumes, offensive noises or odors
() yes
- k. New/proposed construction in Special Flood Hazard Areas without LOMA or LOMR
() yes
- l. Stationary storage tanks with more than 1000 gallons of flammable or explosive material.
() yes

PROPERTY CONSIDERATIONS

Mark "YES" for any *readily observable* deficiency noted below. Each "YES" constitutes a limiting condition on the appraisal. Each condition requires repair or further inspection. These conditions must be satisfied prior to closing for the mortgage to be eligible for FHA mortgage insurance. Please refer to HUD Handbook 4150.2 Section 3-6 for guidance on HUD's General Acceptability Criteria. Also, refer to the protocol in Appendix D of the Handbook for repair and inspection requirement parameters.

VC-2 SOIL CONTAMINATION

Check the appropriate response for evidence of environmental contamination

Provide a description of yes responses on Page 4:

- a. On-site septic shows observable evidence of system failure
() yes () no
- b. Surface evidence of an Underground Storage Tank (UST)
() yes () no
- c. Proximity to dumps, landfills, industrial sites or other locations that could contain hazardous materials
() yes () no
- d. Presence of pools of liquid, pits, ponds, lagoons, stressed vegetation, stained soils or pavement, drums or odors
() yes () no

VC-3 GRADING AND DRAINAGE

Check the appropriate response for evidence of topographical problems.

Provide a description of yes responses on Page 4:

- a. Grading does not provide positive drainage from structure
() yes () no
- b. Standing water proximate to structure
() yes () no

VC-4 WELL, INDIVIDUAL WATER SUPPLY AND SEPTIC

Check the appropriate response with regard to individual wells and septic system.

Provide a description of yes responses on Page 4:

- a. Property lacks connection to public water*
() yes () no
- b. Property lacks connection to a public/community sewer system
() yes () no

*Lender will require water testing for "yes" response.

NOTE: Connection should be made to public or community water/sewage disposal system. Estimate distance to sewer or water hook-up and whether hook-up is practical.

VC-5 WOOD DESTROYING INSECTS

Check the appropriate response for evidence of wood infestation

Provide a description of yes responses on Page 4:

- a. Structure and accessory buildings are ground level and/or wood is touching ground
() yes () no
- b. The house and/or other structures within the legal boundaries of the property show obvious evidence of active termite infestation
() yes () no

VC-6 Private Road Access And Maintenance

Check the appropriate response for evidence of Private Road Access and maintenance problems.

Provide a description of yes responses on Page 4:



- a. Property inaccessible by foot or vehicle
() yes () no
- b. Property accessible only by a private road or drive*
() yes () no
- c. Property is not provided with an all-weather surface (gravel is acceptable).
() yes () no

*In all cases where a private road exists, submit evidence that _____
(name of road)

is protected by a permanent recorded easement (non-exclusive, non-revocable roadway, driveway easement without trespass from the property to a public street/road) and that there is an acceptable maintenance agreement recorded on the property.

Provide a detailed description of the road's condition:

VC-7 STRUCTURAL CONDITIONS

Check the appropriate response for evidence of structural condition problems.

Provide a description of yes responses on Page 4:

Floor Support Systems

- a. Significant cracks
() yes () no
- b. Evidence of water/leakage or damage
() yes () no
- c. Rodent Infestation
() yes () no
- Framing/Walls/Ceiling
- d. Significant cracks
() yes () no
- e. Visible holes in exposed areas that could effect structure
() yes () no
- f. Significant water damage
() yes () no

Attic

- g. Evidence of holes
() yes () no
- h. Support structure not intact or damaged
() yes () no
- i. Significant water damage visible from interior
() yes () no
- j. No ventilation by vent, fan or window
() yes () no

VC-8 FOUNDATION

(Appraiser must have full access to these areas)
Check the appropriate response for evidence of foundation/basement or crawl space problems.

Provide a description of yes responses on Page 4:

Foundation/Basement

- a. Inadequate access
() yes () no
- b. Evidence of significant water damage
() yes () no
- c. Significant cracks or erosion in exposed areas that could effect structural soundness
() yes () no

Crawl Space

- d. Inadequate Access
() yes () no
- e. Space inadequate for maintenance and repair (<18 inches)
() yes () no
- f. Support beams not intact

- () yes () no
- g. Excessive dampness or ponding of water
() yes () no

VC-9 ROOFING

Check the appropriate response for evidence of all roofing problems

Provide a description of yes responses on Page 4:

- a. Does not cover entire house
() yes () no
- b. Evidence of deterioration of roofing materials
() yes () no
- c. Roof life less than two years*
() yes () no
- d. Holes
() yes () no
- e. Signs of leakage observable from ground (i.e., missing tiles)
() yes () no
- f. Flat Roof**
() yes () no

*HUD/FHA requires that the roof have at least 2 years remaining life. If the roof has less than 2 years remaining life, then the appraiser must call for re-roofing or repair. The condition must clearly state whether the subject is to be repaired or re-roofed. 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.

**All flat roofs require inspection.

VC-10 MECHANICAL SYSTEMS

(All utilities must be turned on at time of appraisal, if possible)

Check the appropriate response for evidence of mechanical system problems.

Provide a description of yes responses on Page 4:

Furnace/Heating System

- a. Unit does not turn 'On'
() yes () no
- b. Warm air is not emitted
() yes () no
- c. Unusual or irregular noises are heard
() yes () no
- d. Smoke or irregular smell is emitted
() yes () no
- e. Unit shuts down prior to reaching desired temperature
() yes () no
- f. Significant holes or deterioration on the unit(s)
() yes () no

Air Conditioning (central)

- g. Unit does not turn 'On'
() yes () no
- h. Cold air is not emitted
() yes () no
- i. Irregular noises are heard
() yes () no
- j. Smoke or irregular smell is emitted
() yes () no
- k. Unit shuts down prior to reaching desired temperature
() yes () no
- l. Significant holes or deterioration on the unit(s)
() yes () no

Electrical System

- m. Electrical switches do not turn 'on' or 'off' (check representative sample)
() yes () no
- n. Outlets do not function (check representative sample)
() yes () no
- o. Presence of sparks or smoke from outlet(s)
() yes () no
- p. Exposed wiring visible in living areas



Plumbing System

Toilet

- r. Toilets do not function
() yes () no
- s. Presence of leak(s)
() yes () no

Leaks

- t. Structural damage under fixtures
() yes () no
- u. Puddles present
() yes () no

Sewer System

- v. Observable surface evidence of malfunction
() yes () no

Sinks

- w. Basin or pipes leak
() yes () no
- x. Water does not run
() yes () no

Water

- y. Significant drop or limitation in pressure
() yes () no
- z. No hot water
() yes () no

VC-11 OTHER HEALTH AND SAFETY DEFICIENCIES

Check the appropriate response for evidence of health and safety deficiencies.

Provide a description of yes responses on Page 4:

- a. Multiple Broken windows
() yes () no
- b. Broken or missing exterior stairs
() yes () no
- c. Broken or missing exterior doors
() yes () no
- d. Inadequate/blocked entrances or exits
() yes () no
- e. Steps without handrails
() yes () no
- f. The mechanical garage door does not reverse or stop when meeting reasonable resistance during closing
() yes () no
- g. Please identify location of all health safety deficiencies, and note others not included in this or any other VC on the comment page

VC-12 LEAD BASED PAINT HAZARD

For any home built prior to 1978, check for evidence of defective paint surfaces, including: peeling, scaling or chipping paint.

Provide a description of yes responses on Page 4:

- a. Evidence on interior

- () yes () no
- b. Evidence on exterior
() yes () no
- c. Year built _____

If the home was built before 1978, this may indicate a lead paint hazard. For all FHA insured properties, the seller is required to correct all defective paint in or on dwelling units built before January 1, 1978 in accordance with 24 CFR Part 35.

VC-13 CONDOMINIUMS AND PLANNED UNIT DEVELOPMENTS (PUD)

Provide a description of yes responses on Page 4:

- a. This project is not on FHA's approval list
() yes () no
- b. The property does not meet owner-occupancy standards
() yes () no
- c. This property does not meet completion standards
() yes () no

ADDENDA

A. Provide the current full/market assessed value:
\$ _____

B. Provide a summary of estimated repair costs:
\$ _____

Please attach any additional information/reports and give number of attached pages.

Public reporting burden for the collection of information is estimated to average 30 minutes to complete the Comprehensive Valuation Package. This includes the time for reviewing the associated Handbook and reporting the data. This does not include the requisite market research or the appraisal process. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

Privacy Act Notice: This information is required for the U.S. Department of Housing and Urban Development to endorse a single family mortgage and is used for underwriting purposes. The collection of this information is necessary to comply with HUD's Home Buyer Protection Plan. The information may be made available to a federal agency for review. This information is not confidential and will be made available to the public



Case Number: _____

Property Address: _____

Important **NOTICE TO THE HOMEBUYER** **Read Carefully**

As part of our job insuring the mortgage for the lender, the FHA requires the lender to conduct an appraisal to:

- estimate the value of your potential new home
- make sure it meets *minimal* FHA standards
- ensure that it will be marketable

Appraisals are different from home inspections. Home inspections give more detailed information about your potential new home.

This report is a summary of the observations of an appraiser who visited the property. If there was a problem, the appraiser answered "YES" under "Problem".

If any condition is marked [yes], this means that the property you want to buy does not currently meet FHA's Minimum Property Standards. Until this condition is resolved, your lender may not provide you with an FHA insured loan consistent with FHA procedures.

You should speak to your lender about how this situation needs to be handled. You should also make sure that you are confident that the physical condition of this property meets all of your expectations.

For a copy of the full appraisal, contact your lender.

If you have any questions, call us at **1-800-569-4287**.

Physical Condition	Problem (Y)	Comments
Site Hazards		
Soil Contamination		
Grading and Drainage Problems		
Well, Individual Water Supply and Septic Problems		
Wood Destroying Insects		
Private Road Access and Maintenance Problems		
Structural Deficiencies		
Foundation Deficiencies		
Roofing Deficiencies		
Mechanical Systems Problems		
General Health and Safety Deficiencies		
Deteriorated Paint		

The conditions listed above are reflected on the Valuation Conditions Form (Part 2 of the Comprehensive Valuation Package) of this appraisal. **The lender is required to transmit this Notice to the Homebuyer form to the buyer at least five business days prior to loan closing.**

X _____
FHA Roster Appraiser Signature ID Number Valuation Date

Homebuyer acknowledges receipt of Part 3: Summary:

X _____

X _____



For Your Protection: Get a Home Inspection

What the FHA Does for Buyers... and What We Don't Do

What we do: FHA helps people become homeowners by insuring mortgages for lenders. This allows lenders to offer mortgages to first-time buyers and others who may not qualify for conventional loans. Because the FHA insures the loan for the lender, the buyer pays only a very low down-payment.

What we don't do: FHA does not guarantee the value or condition of your potential new home. If you find problems with your new home after closing, we can not give or lend you money for repairs, and we can not buy the home back from you.

That's why it's so important for you, the buyer, to get an independent home inspection. Before you sign a contract, ask a qualified home inspector to inspect your potential new home and give you the information you need to make a wise decision.

Appraisals and Home Inspections are Different

As part of our job insuring the loan, we require that the lender conduct an FHA appraisal. An appraisal is different from a home inspection. Appraisals are for lenders; home inspections are for buyers. The lender does an appraisal for three reasons:

- to estimate the value of a house
- to make sure that the house meets FHA minimum property standards
- to make sure that the house is marketable

Appraisals are not home inspections.

Why a Buyer Needs a Home Inspection

A home inspection gives the buyer more detailed information than an appraisal--information you need to make a wise decision. In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential new home to:

- evaluate the physical condition: structure, construction, and mechanical systems
- identify items that need to be repaired or replaced
- estimate the remaining useful life of the major systems, equipment, structure, and finishes

What Goes into a Home Inspection

A home inspection gives the buyer an impartial, physical evaluation of the overall condition of the home and items that need to be repaired or replaced. The inspection gives a detailed report on the condition of the structural components, exterior, roofing, plumbing, electrical, heating, insulation and ventilation, air conditioning, and interiors.

Be an Informed Buyer

It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new home with a qualified home inspector. You may arrange to do so before signing your contract, or may do so after signing the contract as long as your contract states that the sale of the home depends on the inspection.

I understand the importance of getting an independent home inspection. I have thought about this before I signed a contract with the seller for a home.



Appendix B

National Valuation Condition Report (old)



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT NATIONAL
VALUATION CONDITION (VC) SHEET

NOTE TO THE HOMEBUYER: THE VALUATION CONDITION (VC) SHEET IS FOR FHA USE ONLY AND NOT TO BE CONSIDERED AS AN FHA INSPECTION. IT IS NOT TO BE ASSUMED ALL PROBLEMATIC CONDITIONS WERE FOUND OR CORRECTED. FHA ENCOURAGES PURCHASERS TO HIRE A PRIVATE HOME INSPECTION SERVICE TO MAKE THE DETERMINATION THAT THE HOUSE IS ACCEPTABLE TO THEM.

FHA Case No _____

Date _____

Appraiser _____

State License No. _____

Property Street Address _____

City-State-Zip _____

LOCATION-PROPERTY ANALYSIS

Location and Property Acceptable Location Acceptable/property Rejected(See VC-12)
 Location 223E/Property Acceptable Location 223E/Property Rejected (See VC-12)
 Location Rejected (See VC-12) Location and Property Rejected (See VC-12)

THE FOLLOWING CIRCLED CONDITIONS ARE HEREBY MADE A PART OF THE CAPTIONED DIRECT ENDORSEMENT STATEMENT OF VALUE. THE PURPOSE IS TO COMPLY WITH HUD HANDBOOK 4150.1, REV-1 PARAGRAPHS 5-10 THROUGH 5-12, AND 4905.1, REV-1. ALL REPAIRS MUST BE COMPLETED IN A PROFESSIONAL MANNER, IN COMPLIANCE WITH HUD'S GUIDELINES AND SATISFIED PRIOR TO CLOSING.

VC-1 STRUCTURAL DEFECTS

Structural deficiencies noted in the _____ foundation _____ floor support system, _____ framing _____ roof. Provide a report from a registered engineer regarding the cause and proposed correction. When proposed corrective measures are completed, the engineer must certify that the recommended repairs have been completed and all deficiencies have been acceptably corrected.



VC-2 ATTIC - BASEMENT - CRAWL SPACE

A. Provide ___ access ___ adequate ventilation to the ___ attic ___ crawl space.
(After access has been provided additional repair items may be required)

B. Submit evidence from a licensed waterproofing specialist or licensed home inspector that the condition(s) causing wet basement and/or crawl space has been corrected.
Describe affected area:

VC-3 GRADING AND DRAINAGE

Regrade the lot to provide positive drainage away from the perimeter walls of the house.

VC-4 MECHANICAL SYSTEMS

A. The following utilities were turned off at time of appraisal.
_____ water _____ gas _____ electric

The appraiser is required to revisit the property after these utilities are connected.
Additional conditions may be required at the time the appraiser revisits the property.

B. Submit evidence from a licensed home inspector that the _____ system(s) are in safe operating condition. This evidence is required because:

VC-5 PRIVATE ROAD ACCESS AND MAINTENANCE

Submit evidence that (name of road) _____ is protected by a permanent recorded easement (non-exclusive, non-revocable roadway, driveway easement without trespass from the property to a public street/road) and that there is an acceptable maintenance agreement recorded on the property.



VC-6 WELL, INDIVIDUAL WATER SUPPLY AND SEPTIC

A. Submit evidence that the subject property is connected to public
_____water _____sewer.

NOTE: Connection must be made to public or community water/sewage disposal system whenever feasible, i.e., feasibility relates to the distance to connect not the cost.

B. Provide acceptable _____bacteriological test, _____organic test, or any other test required by the State or local HUD office/HOC to determine the acceptability of the private water system. See ML 95-34

C. Provide evidence that the private sewer system is acceptable to the local health department.

VC-7 LEAD BASE PAINT HAZARD

Correct all defective paint surfaces for homes built before 1978, all paint chips must be removed in accordance with 24 CFR, Part 35.

VC-8 ROOFING

Replace existing roof with appropriate roofing material. Installation must comply with local acceptable building practice, or local building codes.

VC-9 CONDOMINIUMS AND PLANNED UNIT DEVELOPMENTS (PUD) (FHA and VA)

A. This project is on FHA's approval list or accepted through reciprocity.
_____Condominium _____PUD

B. The unit is a spot loan.

NOTE: For all condominiums, the lender shall submit certification from the Condominium Association or Management Firm that the condominium ownership is 51% or greater prior to closing the loan. The certification shall be dated within 60 days of the closing date. Also, spot loan binders must be documented in accordance with Mortgagee Letter 96-41.



VC-10 PROPOSED CONSTRUCTION/UNDER CONSTRUCTION OR PROPERTIES LESS THAN ONE-YEAR OLD.

A. If any portion of the property (everything within the legal boundaries of the site) is located in a FEMA 100-year floodplain, the property is not eligible for FHA insurance.

B. The covered multifamily dwelling is not in compliance with handicapped accessibility requirements under Section 804(f)(3)(c) of the Fair Housing Amendments Act of 1988.

NOTE: A covered multifamily dwelling is a unit in a building consisting of 4 or more dwelling units if such building has one or more elevators; and ground floor dwelling units in other buildings consisting of 4 or more dwelling units.

VC-11 WOOD INFESTATION AND SOIL POISONING

A. Structure is ground level, or is a total wood structure. A recognized control operator shall furnish certification using form NPCA-1, or -mandated form, that the house and other structures within the legal of the property indicate no evidence of active termite infestation any damage having resulted from previous infestation has been repaired.

B. Structure is not ground level. No inspection required.

C. Structure located in a geographic area with no active termite infestation. No inspection required.

VC-12 OTHER REPAIR/CONDITION ITEMS SEEN BY APPRAISER NOT PREVIOUSLY LISTED.

Please give number of attached pages with further explanation # _____

Appraiser's Signature _____

Date _____

