

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

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 SYSTEM**

(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  
☐ yes ☐ no
- q. Frayed wiring  
☐ yes ☐ no

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 current 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.

### Description of Responses and Related Comments

[illegible]

Compliance Inspection Report

**Note:** Reports of Final and Repair Compliance Inspections left at site always require reviewer's signature to be Official. Consult mortgagee for official reports.

U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

OMB No. 2502-0189 (exp. 7/30/98)

Builder's Name and Address	a. <input type="checkbox"/> Report not left at site.	FHA Case Number
	b. <input type="checkbox"/> Report not official without reviewer's signature.	Date of Inspection
Mortgagee's Name and Address	Property Address	

I. Inspection of On-Site Improvements Reveals:

1. Construction <input type="checkbox"/> was, <input type="checkbox"/> was not begun prior to the date of mortgage insurance approval shown on the commitment, statement of appraised value or "Early Start" letter. (Applies to the initial report on new construction)	10. <input type="checkbox"/> Acceptable variations as described below (Request for Change, form HUD-92577, may be submitted).
2. <input type="checkbox"/> Builder other than named in application.	11. <input type="checkbox"/> Extensive noncompliance as explained below (see IV. A below).
3. <input type="checkbox"/> Unable to make inspection. (Explain below)	12. <input type="checkbox"/> On-site improvements acceptably completed subject to receipt of certification that mortgagee's inspection reveals satisfactory completion of all items listed below.
4. <input type="checkbox"/> Accepted construction exhibits not available at site.	13. <input type="checkbox"/> On-site improvements acceptably completed except items listed below, completion of which is delayed by conditions beyond control of the builder (see IV. B below).
5. <input type="checkbox"/> Individual Sewage disposal system; <input type="checkbox"/> Individual Water supply system <input type="checkbox"/> No noncompliance. <input type="checkbox"/> Correction essential as explained below. <input type="checkbox"/> Submit Health Department letter	14. <input type="checkbox"/> On-site improvements acceptably completed.
6. <input type="checkbox"/> Correction req'd. by rppt. dated _____ not acceptably completed.	15. <input type="checkbox"/> Off-site improvements: <input type="checkbox"/> a. Correction/Completion essential as explained below.
7. <input type="checkbox"/> Repairs required by form HUD-92800.5B not acceptably completed.	<input type="checkbox"/> b. Completion assured by escrow agreement or governing authority.
8. <input type="checkbox"/> Correction essential as explained below: <input type="checkbox"/> a. Will examine at next inspection. <input type="checkbox"/> b. Do not conceal until reinspected.	<input type="checkbox"/> c. Acceptably completed.
9. <input type="checkbox"/> No noncompliance observed.	

II. Explanation of statements checked in Parts I and III		Inspection Number	
<input type="checkbox"/> Initial Inspection	<input type="checkbox"/> Framing Inspection	<input type="checkbox"/> Final Inspection	<input type="checkbox"/> Other (explain)
<input type="checkbox"/> Repair Inspection			
No.		No.	

**Certification:** I certify that I have carefully inspected this property on this date. I have no personal interest, present or prospective, in the property, applicant, or proceeds of the mortgage. To the best of my knowledge I have reported all noncompliance, work requiring correction, and unacceptable work.

Signature Brian J. Davis, SRA	Date	ID Number
<input type="checkbox"/> Fee Inspector	<input type="checkbox"/> Appraiser	
<input type="checkbox"/> DE Staff Inspector	<input type="checkbox"/> HUD Inspector	

III. Specific Conditions Required by the HUD-92800.5B, Not Requiring Field Inspection

16. <input type="checkbox"/> Submit items or resubmit incomplete items as noted above.	17. <input type="checkbox"/> Acceptable Compliance with all specific conditions not requiring field inspection.	18. <input type="checkbox"/> Submit Termite Soil Treatment Guarantee.	<input type="checkbox"/> None
Approved:	Signature	Date	ID Number
<input type="checkbox"/> as modified by me	<input checked="" type="checkbox"/>	<input type="checkbox"/> Direct Endorsement Underwriter <input type="checkbox"/> Chief Architect <input type="checkbox"/> Deputy	

IV. To Mortgagee: When signed below, refer to the statement on the back corresponding to the designation checked.

<input type="checkbox"/> A. Noncompliance <input type="checkbox"/> (a) Variations from exhibits. <input type="checkbox"/> (b) Unacceptable construction. <input type="checkbox"/> (c) Premature construction.	<input type="checkbox"/> B. Compliance -- Incomplete Items. "Mortgagee's Assurance of Completion", HUD-92300, may be submitted.  \$ _____ for completion not later than: _____	<input type="checkbox"/> C. Final Acceptance. Closing papers may be submitted provided mortgage credit analysis is acceptable.
--	--	--

Signature	Date	ID Number
<input checked="" type="checkbox"/>	<input type="checkbox"/> Direct Endorsement Underwriter <input type="checkbox"/> Director of Housing Development <input type="checkbox"/> Deputy	

For HUD Use Only for concurrence of Direct Endorsement Processing of this Compliance Inspection Report. If signed, this final report is considered processed by HUD and, thereby, convertible to the Veterans Administration.	Signature of HUD Authorized Agent	Date
	<input checked="" type="checkbox"/>	

Previous editions are obsolete. Retain this record for 30 years or the life of the file Submit an Original and four copies ref. Handbooks 4000, 4115.3, 4145, 4165, 4190, & 4240.4 form HUD-92051 (7/87)

Part 3: Comprehensive Valuation Package  
Homebuyer Summary

Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0538  
(exp. 11/30/99)

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 to the buyer at least 5 business days prior to loan closing.

X \_\_\_\_\_  
FHA Roster Appraiser Signature ID Number Valuation Date

Homebuyer acknowledges receipt of Part 3: Summary:

X \_\_\_\_\_

X \_\_\_\_\_  
Homebuyer(s) Signature(s): Date Received