

# Existing Dwellings

## Michigan Attachment To Rd Form 1944-59, "Eligibility Certificate"

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### Property Requirements:

#### Submit the following information to Rural Development.

1. Copy of the purchase agreement including seller's disclosure and lead based paint disclosure. Please include the complete legal description.
2. Copy of winter and Summer Tax Statements including special assessments.
3. A copy of the Title Commitment without exceptions (if available.)

NOTE: Rural Development properties must meet the following conditions:

- The house must be located in an area eligible for financing by Rural Development.
- Property selected must have square footage of **1800 square feet or less** (per UN 11/30/11.)
- Rural Development does not finance existing manufactured homes, i.e. single or doublewide.
- Land for existing homes cannot be large enough to be subdivided according to local zoning regulations.
- The property cannot have an in-ground swimming pool, farm structures OR be an income producing property.
- The site to be financed must have access to the following:
- A municipal or individual water and sewer system. **SHARED WELL AND SEPTIC SYSTEMS ARE NOT ALLOWED.**
- A hard surfaced or all weather road which is developed in full compliance with public body requirements, is dedicated for public use, and is being maintained by a public body. **PRIVATE ROADS, EASEMENTS TO ACCESS SUBJECT PROPERTY, AND SHARED DRIVEWAYS ARE NOT ALLOWED** unless part of a site condominium or planned unit development.
- *Housing to be used by person(s) with a physical disability can be reviewed by the Rural Development State Architect to determine proper accommodations, accessibility and code compliance.*
- Purchaser(s) must closely inspect the home to determine if it meets his/her needs. It is the responsibility of the purchaser to see that the home has been inspected and is acceptable.

### Inspection:

1. Rural Development loan official reserves the right to perform an initial inspection prior to hiring a third party inspector to determine program suitability. An independent third party inspector should be hired to inspect the home. The applicant is responsible for the inspection fee at the time of inspection. The home inspector should be certified by either the National Association of Home Inspectors or the American Society of Home Inspectors. Applicants must attend the home inspection and provide our office with a copy of the inspection report.

The Inspector will certify that all major systems are adequate, the dwelling has been inspected and meets agency standards with respect to: (1) Termites and other pests on form NPCA (or equivalent) or as verified by an extermination company; (2) plumbing, water and sewage; and (3) heating and cooling; (4) electrical systems; and (5) structural soundness; the unit should be designed to provide safe egress in the event of a fire. .

2. The inspector must provide the following to a Rural Development Official within a timely manner;
  - A full copy of the report stating the structural integrity, functionally adequate, in good repair and/or a summarized list of repairs needed to place the home in good repair.
  - Well, septic evaluation and Water test must be performed by the local Health Department, State Licensed Lab or Registered Sanitarian.
  - Home must be free of termites and other wood destroying insects
3. Rural Development must receive the inspection report before an appraisal will be ordered.

### Appraisal and Closing:

1. Rural Development will order and review appraisal to determine appraised value of property.
2. If the property appraised and funding is available, the seller and buyer should negotiate completing repairs prior to closing. All major repairs will be put in an escrow account and completed after closing. If major repairs (roof, furnace, etc) are required Rural Development will need 2-3 bids from licensed contractors.
3. Rural Development will need to review a copy of the Title commitment, which should include a policy without exceptions and survey coverage verbiage.
4. After the funding commitment is issued a re-inspection must be provided certifying repairs are completed prior to closing.
5. Once the above conditions have been met Rural Development will schedule a closing.