

FHA & VA Appraisals... What They Are Really Looking For

Compliments of Michelle Wickett at Axia Home Loans, here is an overview of the things a FHA/VA appraiser might call out.

- Evidence of failure, cracked masonry, windows and doors not square, or shifting
- Signs of previous repair/jacking
- Grading toward the dwelling
- Insufficient gutters/downspouts
- Structural issues – signs of failure
- Cracks in mortar or supporting walls
- Signs of prior foundation repair Crawl Space - head and shoulders inspection of the crawl space:
 - Verify that the space is adequate for maintenance and repair (recommended 18 inches)
 - Support beams not intact
 - Dampness or ponding of water
 - Adequate ventilation Slab -check for cracks that could affect structural soundness
- Electric panel sufficient to accommodate the appliances in the home?
- An updated home with new kitchen appliances, should have an updated service panel to accommodate the added load.
- Any evidence of failure, atypical wiring, or uncapped wiring
- Failing, chipping, peeling paint issues:
 - Pre 1978 – lead based paint issue, must be called for repair
 - Post 1978 – exterior issue that could cause structural damage, must be called for repair
- Roofs
 - A 2 year life expectancy, or call for inspection (most Lenders will want a 5-year roof cert)
 - Any signs of failure must be called for repair
 - Flat or unobservable roofs – must be inspected thoroughly on the inside of the dwelling for signs of failure
- Remodeling - Identify specific recent improvements
- Effective age must be consistent with condition, actual age, and any updates
- Check a representative number of windows to ensure operation
- Physical – deferred maintenance, lead based paint
- Furnace/AC – must turn on unless doing so may cause damage to compressor (AC)
- Plumbing – signs of failure, insufficient flow
- Electricity - Check a representative number of outlets in each room

- Appliances operational
- Bedrooms - proper egress required
- Closets are not required, however appraiser should account for effects on marketability if any
- Bars on bedroom windows must have quick release latch
- Bars on other windows – check with local jurisdiction or fire department for compliance
- Basement – inspect perimeter and floors for signs of failure, cracked walls, or water damage
- Signs of failure - cracked walls or ceilings the property is habitable from the standpoint of safety, structural soundness and sanitation, and
- Presence of pools of liquid, pits, ponds, lagoons, stressed vegetation, stained soils or pavement, drums or odors
- Underground storage tanks
- Signs of settling, slush pits, abandoned wells

VA Appraisals

- the property is habitable from the standpoint of safety, structural soundness and sanitation
- Mechanical systems must be:
 1. Safe to operate
 2. Be protected from destructive elements
 3. Have reasonable future utility, durability & economy
- A continuing supply of safe & potable water for drinking & other household uses
- Sanitary facilities & a safe method of sewage disposal
- Roof must prevent entrance of moisture & provide reasonable future utility, durability & economy of maintenance
- Defective roofs with 3 or more layers of shingles must be replaced with all old shingles being removed first.
- Crawl space must have adequate access, be clear of all debris & be properly vented
- Property must be free of hazards which may adversely affect the health & safety of occupants
- Conditions impairing the safety, sanitation or structural soundness of the dwelling will cause the property to be unacceptable until defects or conditions have been remedied and the probability of further damage eliminated.
 1. Defective construction

2. Poor workmanship
 3. Excessive dampness
 4. Leakage
 5. Decay
 6. Termites
- The site must be graded so that it allows for positive, rapid drainage away from the perimeter walls of the dwelling & prevents ponding of water on the site
 - Wood destroying insect infestation, fungus growth & dry rot
 - Lead based paint
 - Remove cracking, scaling, chipping, peeling or loose paint on any interior or exterior surface of properties built prior to 1978



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