

FHA 4000.1 – Quick Reference for Realtors

This print out cannot address all FHA requirements, but is put together as a short reference to some of the more common items that may arise. Please visit: <https://portal.hud.gov> and search for FHA 4000.1 for the full handbook and FHA's online housing policy library or call 1 (800) 225-5342 (HUD's FHA Resource Center).

Utilities:

Appraiser will comment if utilities and mechanical systems were on and operational at the time of inspection.

Mechanical Systems:

The appraiser will observe the physical condition and operate the heating/cooling system, electrical system and plumbing – these must be operational and perform as intended. If these systems are damaged or do not function properly, the appraiser will condition the appraisal for repair or further inspection (by licensed professional in that area of expertise).

Appliances:

If appliances are considered part of the real estate, they must be operational.

Attics/Crawl Spaces:

The appraiser will observe all areas of the attic; in cases where the attic is not full accessible or access is limited, the appraiser will perform an “head and shoulders” inspection of the attic area. If unable to view all areas of the attic, a time may be rescheduled to come back for full observation of the attic, or the appraisal will be subject to inspection by a qualified 3rd party. If evidence is found of any defective condition, the appraiser will condition the report for this item; again, the appraisal may be conditioned for repair or further inspection by licensed professional in that area of expertise.

All areas of the crawl space (if the subject has one) will also be observed. The following are items that an appraiser must report:

- Floor Joists are not sufficiently above ground level to provide access for maintaining and repairing ductwork and plumbing.
- If the crawl space contains any system components and the vertical clearance is less than 18 inches between grade and bottom of the floor joists.
- If the area is not properly vented (unless the area is mechanically conditioned)
- If the crawl space has any trash, debris or vermin.
- If the crawl space is excessively damp or has any water pooling.

Defective Paint:

- If the dwelling or related improvements were built after 1978, the Appraiser must report all defective paint surfaces on the exterior and require repair of any defective paint that exposes the subsurface to the elements.
- If the dwelling or related improvements were built on or before December 31, 1978, The Appraiser must note the condition and location of all defective paint and require repair in compliance with [24 CFR § 200.810\(c\)](#) and any applicable EPA requirements. The Appraiser must observe all interior and exterior surfaces, including common areas, stairs, deck, porch, railings, windows and doors, for defective paint (cracking, scaling, chipping, peeling, or loose). Exterior surfaces include (but not limited to) those surfaces on fences, detached garages, storage sheds, and other outbuildings and appurtenant Structures.

Electrical System:

The appraiser will operate a sample of light fixtures, switches inside and outside of the home and report deficiencies. The appraiser will also examine the electrical system to ensure safety (no visible frayed wiring or exposed wires) and will report if the amperage and panel size appears to be inadequate for the home.

Foundation:

The appraiser will observe the foundation and note any readily visible evidence of safety or structural deficiencies that may require repair.

Heating/Cooling:

Heat source must be acceptable to the market, rely upon a readily obtainable fuel source, be able to operate for extended periods of time without human intervention and heat the home to a minimum of 50 degrees Fahrenheit in all Gross Living Area

Cooling system is not required, but must operate if it is present.

Plumbing System:

The appraiser will flush toilets and operate faucets to check water pressure, flow and leaks, determine that the plumbing system is intact and does not emit foul odors, that faucets function properly, that both hot and cold water turn on at each faucet, and no readily visible evidence of leaks or structural damage under fixtures.

Roof Covering:

The appraiser will observe the roof from at least ground level, and report if any areas are not observable. If the roof appears to have less than 2 years of physical life remaining, the appraiser is to require an inspection.

Drainage:

The appraiser will observe the drainage, readily observable grade and site conditions.

Repairs:

Repairs are limited to items that are necessary to maintain safety, security and soundness of the subject property, preserve the continued marketability of the property and protect the health and safety of occupants.