

**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 100 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

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- 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 not 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.

