

The purpose of publishing these Questions & Answers is to provide a resource for attendees. It introduces and explains, rather than supplants official policy issued in handbooks and mortgagee letters. If you find a discrepancy between these answers and handbooks, mortgagee letters, etc...the official policies prevail.

Question	Answer
Is the appraiser required to submit a well & septic sketch showing the distance requirements? If the appraiser doesn't want to give you the information, what is an acceptable source for that information?	Reference HUD Handbook 4910.1, Handbook 4150.2-Appendix K, or the on-line Reference Guide (Ch 1, Page 1-21b) and 24CFR Part 200 SEC 200.926d. The appraiser is not required to sketch the distances between the well and septic, however, he or she should be mindful of FHA's minimum distance requirements between private wells and sources of pollution (septic systems) in the performance of FHA appraisals; and, if discernible, comment on them. The lender is required to insure the well and septic meet HUD and state and local jurisdiction requirements. Waiver requests for noncompliance must be submitted to the Technical Support
If the comp selection includes a comp the is over 12 mos old from the effective date of the appraiser, is a waiver required? If yes, what is the procedure for obtaining a waiver? PAB	Yes, to request a waiver, please submit request to the appropriate HOC- Technical Support Branch.
You said that well & septic sketches are not required. Yet, Denver always requires it. Why is that?	sketches are not required
Can a lender charge for a FHA appraisal that was ordered by another FHA lender for another transaction on subject property that fell through but has allowed new lender to use. (Is it expected that appraiser be paid by previous lender who ordered appraisal and is listed on client section in appraisal report.	No the borrower can only pay for one appraisal
Your question about Comps is not acceptable, Comps over 1 year old for comps 1-3 are not acceptable, but supporting comps are with an adequate explanation from the Appraiser	Comps, over one year old would be acceptable, onlywith a waiver request by the lender
what should the appraiser do with short sales and foreclosures as comps...must they always be listed as comps, then give little or no weighting to them if ss and FO are not predominant in the area..must the appraiser always list the ss and FO props as comps even if they are not predominant to the area	If short sales and foreclosures are predominant in the market they must be considered. The appraiser must determine what impact they have on the market. If they were sold with exposure to the market, listed in MLS they should be considered.
How long is the FHA case # good for (not the appraisal, but the actual case #)?	the case number is valid for 6 months unless the appraiser expires prior to the 6 month time frame
YOU HAND OUT REFLECT MFG HOME APPRAISAL REPORT AS 1004C?	The 1004C is the correct form for a manufactured home
2nd appraisal necessary when exceeds 100% of?????	Yes, it must be a full appraisal done by a FHA approved appraiser.
Is the Termite Soil A&B still required for Condominiums for existing less than a year. The Mortgagee letter does not state it is required.	The builder/developer is responsible for the termite soil treatment.
Since we DE Underwriters are responsible for the apprl -- can we reduce the amt that we are responsible for (if appraiser is appraising @ 200k and we feel it is only supported @ 175k -- can we only approve based on the 175k and not require any more from appraiser?	Yes, you would complete HUD form 54114 and justify the decrease in value and provide supporting documentation.
do you need a new case number if the appraisal expires and you are not extending it?	If the appraisal has expired and you do not extend prior to expiration, yes you need a new case #.
When the sales price is re-negotiated subsequent to the completion of the appraisal report, does the appraisal need to be updated to reflect the new purchase price? VO	No the lender can provide documentation in the file
Is the appraiser required to keep the appraised value bracketed within the closed comp's sale price? If so, can the bracket include the pendings/listings?	The sale price should be bracketed, however the appraiser needs to use the best sales available. If the sale price cannot be bracketed, the appraiser should comment. The appraiser should also try to bracket the square footage and age.
We know the appraiser must inspect the attic by head and shoulder. I have been told that HUD does not require the appraiser to comment they inspected the attic via head and shoulder, therefore, how can the DE underwriter verify it was inspected. I have been told that I should not ask the appraiser to comment on appraisal that Attic was inspected by head and shoulder. Please advise.	The appraiser is aware the attic inspection is a requirement. It is not the lenders responsibility to assure the attic was inspected.
appraiser is responsible for estimating the taxes and they must be on the 1004??	Yes, the appraiser should use different sources to estimate the taxes and enter on the appraisal. Thank you.

hoa dues on appraisal - should they also include special assessment charges	Yes, and the appraiser should comment on the impact on value and marketability of the special assessment.
What if the appraiser lists just the estimated taxes, but our title policy shows the exact figure and it is different? Are we required to ask the appraiser to correct report? PB	Reference: Handbook 4150.1. The appraiser can use either: assessor or treasurer estimates, or; may estimate taxes based on comparison with the tax rates for comparable sales, or they may be determined from the sales price and the current mill levy rate. The tax figure should match the DE Loan Approval, the 92900.A for accurate ratio calculations and be reflected on the Conditional Commitment.
The 92900a does not have a space for Real Estate Taxes.	what is your question?
If the contract amount changes after the contract has been reviewed, do we have to have it corrected	No you do not have to change it, however, you should provide the addendum with the file
When the appraisal is not in the lender`s name what does fha require?	If the reporta was transferred, the new lender does not need the appraisal to reflect the current lender. FHA will accept the appraisal as-is
Is date of contract is the date contract accepted by seller?	Yes, it is. Thank you
SHOULD THE PURCHASE PRICE ON THE APPRAISAL ALWAYS MATCH THE FINAL PURCHASE PRICE PER THE FINAL ADDENDUMS?	Yes, the appraiser should be furnished will the full contract with all addendums.
Is the lender required to provide the appraiser with changes to the contract after the assignment has been completed and must these changes be reflected in the appraisal report?	No the appraiser cannot change the report. the lender neds to provide the addendum in the file when submitting for endorsement
Can the purchse price exceed the list price and under what circumstances? NW	Yes, however, the appraiser should comment on this situation. Why did the property sell for more than listed? Were sales concessions added into the contract or personal property?
What comments are sufficient if there are NOT 2 closed sales in a soft market? sb	FHA requires three closed sales
What is appraiser cant get comps within 90 days	This is a requirement only in a declining market. If this is not possible, the appraiser must provide additional documentation as to why comps are not available
If the market is declining and the appraiser cannot find 2-comps closed within 90-days and 2 active listings and makes comments to this effect, should the appraisal be rejected? -Monica Owens	Yes, FHA requires three closed sales
Will a complete copy of this Q&A be available after the call?	yes
If there are not 3 comps in the last year because of limited sales in a sparsely populated area, can you use one that is over 1 year old?	you must obtain a waiver from Tech Support to use comps over 1 year old
Re bracketing, you meant your answer to say	The estimate of market value must be within the range of the adjusted sale prices of the comparables. The appraiser should attempt to bracket the sales prices of the comparables or comment why it was not possible.
what is the proper way to handle in law or accessory units and how many comps minimum should be provided to show marketability. What if no comps are available?	The appraiser is required to note the N,S,E,W that make up the neighborhood. This does not have to be outlined on the location map
Are dimensions required on all appraisals. Most appraisers obtain information from the local Appraisal District records and actual dimensions are not available. Only thru search of actual plats records are they able to obtain.	: Handbook 4150.2, Appendix D, page D-18. The Fannie Mae 1004 form and HUD guidelines require the appraiser to report the actual site dimensions of the property. This information should be researched and reported if it is available through private and/or public data sources available to the appraiser. If it is not available, the appraiser should explain.
Under Dimensions we`re getting alot that state	Site dimensions are required. if not available the appraiser should provied the steps taken to obtain the info. Also the appraiser can estimate the site dimensions
I am frequently challenged by appraiser when I ask that all named neighborhood boundaries be shown on the location map provided-Am I correct in assuming that HUD would require this as well?JLW	The appraiser does not need to show the neighborhood boundaries on the map, however it must be defined in the neighborhood section on page 1 of the appraisal.
In a declining market, are comps older than 90-days ever accepted if older ones are the only available.	yes, with an explanation as to why and current listings provided
How do we deal with multiple parcels? Currently if multiple parcels we verify where the improvements lie and only lend on the home and the parcel it sits on, unless the property is re-zoned into one parcel/tax id #-is this accurate approach?	please refer this question to the resource center, as additional information is needed to give a correct answer
Please note that the presenter stated that the 92900a has real estate taxes on it and must match the 1004. This is incorrect the correct form number is 1003 Uniform Residential Loan Application.	thank you for the feedback

Regarding the owner of record vs the question that is the seller the owner of record, once this has been clarified, if the question was marked	Reference: Handbook 4150.2, Appendix D, page D-14. The appraiser is to enter the name of the owner as listed in public records. If the seller is not the owner of public record, the appraiser must explain. A sales contract should show the seller as the current owner of public record.
On a transferred appraisal where corrections and/or explanations are needed is the appraiser allowed to comment/correct the appraisal or is he forbidden to make changes because we are not the	The appraiser can provide an explanation in an addendum form, however the lender would need to provide the appraiser with a new scope of work/assignment
Property in a flood zone is not eligible for FHA insurance?	Call 1-800-CALLFHA. Answer too long to post
So if the property is in a flood zone it is ineligible for an FHA loan? HR	The property may be insurable with flood insurance, however, this depends on the stage of construction. Please refer to Handbook 4150.2 or contact the resource center for additional information
If the property is in a flood zone, can you not just get flood insurance? I understood you to say that if the subject is in a flood zone, it is not eligible?	New and proposed construction not eligible for FHA insurance if any part of the property improvements essential to the property value and subject to flood damage are located within the 100 year flood plain.
If the property is on a flood zone can it be insured and delivered to fha?	Reference: ML 2005-48. When any portion of the residential improvements is determined to be located in a SFHA, insurance under the National Flood Insurance program criteria must be obtained as a condition of closing and maintained for the life of the loan.
What mortgagee letter references the conditional commitment to have a requirement added for flood insurance? SW	Mortgage Letter 2010-43
When we have borrower that is purchasing a property from hud, we have been told that we have to use appraisal that was done for hud. Are we responsible for these appraisals?	for a HUD REO purchase, the appraisal should have been done and can be requested from the Asset Manager.
speaker did not discuss the transmission lines please address.	The improvements of the subject cannot be located within the utility easement.
can you give ml for well distance?	Reference HUD Handbook 4910.1, Handbook 4150.2-Appendix K, or the on-line Reference Guide (Ch 1, Page 1-21b) and 24CFR Part 200 SEC 200.926d.
New construction within a 1 mile of airport is not eligible for FHA insurance?	That is correct
can lenders rely on the appraiser to state that the well/septic meet hud guidelines?	No, the appraiser is required to note the well/septic, however, it is the lender's responsibility to assure compliance
new const. near an airport - what did presenter say about no exceptions?km	New construction in an airport zone is not acceptable.
so the appraiser needs to state whether or not the well and septic distances met hud guides correct	Yes, however if the appraiser cannot determine where the well, septic tank and drainfield are located, then a survey may be required.
Where in the FHA manuals does it talk about FHA not insuring property that have structural additions for which local permits were not obtained?	An addition does not have to be permitted, however, the appraiser/lender need to assure the addition does not pose any structural problems
could you repeat the required distance for the sewer and well?	For existing properties the well must be at least 50 feet from the septic tank and 100 feet from the drainfield and 10 feet from the property line. See Mortgage Letter 2002-25. A waiver can be requested if well to septic distance meets local codes.
What if you can't find comps with ADU's	If no recent sales, listings or under contracts with ADU's, then the appraiser will have to make an across the board adjustment to all the comps. The appraiser should comment on the impact on marketability of this type of unit and why no recent comparables were available.
Who determines the cost to connect to public water/sewer?	The lender
If ADU is not permitted or listed on tax rolls as such, is property ineligible?	If the adu is not permitted per zoning then the adu would need to be dismantled
what is FHA requirement for High power transmission lines	The property improvements cannot be located in the easement for the utility.
the appraiser does not have to include in the appraisal if feasible to connect to public utilities?	the appraiser states if it is available, the DE Underwriter should determine the feasibility
What ML may we reference with regard to new construction in a flood zone. DF	Reference: Handbook 4150., 2-2, L. and ML 99-34.
so you said we need to provide 3 things...is that all 3 or one of the 3 things?	please be more specific, thank you
How many feet is subject required to be from above ground storage tanks?	300 feet from a storage tank containing more than 1,000 gallons of flammable or explosive material.
High voltage power lines, I was told by the resource center this was no longer required. Is this part of the appraisal process, if so what if no engineer is available to determine the fall distance.	The subject improvements cannot be located in the utility easements. This is typically shown on a survey. The rule of the fall zone is no longer in place.
So if a property is in a flood zone it is NOT FHA insurable? km	there are different guidelines for existing properties and new construction for flood zones. Please contact the FHA Resource Center for specifics

elevation showing subject itself not in flood zone correct, not entire lot?	correct
Does the Flood Zone determination include just the improvements or any part of the subject site?	property improvements essential to the property value. Thank you
Does that mean a new construction that is complete, never occupied, would not be eligible? Or does that apply only to proposed, where the ground has not been broken? cas	Please ask complete question, we have several underwriters answering questions and we do not know what your first question was.
How many comparable sales do you need with accessory units?	There is no rule, however the appraiser needs to find the best comps available. If none are available, the appraiser needs to comment.
What if the appraiser marks no zoning-typical (can be rebuilt if destroyed) is that acceptable to HUD?	it must be zoned legal and rebuilt to original structure
On the new construction in a flood zone. If you do have proof that the improvements are above the 100 yr flood plain - is flood insurance still required?	Please refer to Handbook 4150., 2-2, L. and ML 99-34. for clarification of new construction in a flood zone
Can the Borrower rent the accessory unit?	if the borrower is collecting rent the property should be treated as an income property
Please repeat the accessory unit definition	a separate additional living unit, including a kitchen, bath and sleeping facilities. Thank you
Will the Q&A be available for print out? If so when and where? TB	Yes, with the archived presentation that was in your e-mail
can we have copies of the questions asked and answered	yes
Do you have to check zoning to make sure it is legal and do you have to see if a permit was pulled to build the mother in law unit?	It is the appraiser responsibility to assure the zoning for the property
Re bracketing again, should the appraised value be bracketed by the sales prices before adjustments as well as the adjusted sales prices? The 4150.2 is not clear on this.	That is correct. Thank you
Could you please restate how the unit should be considered subordinate (i.e. size, etc)?	The ADU should be smaller in size than the main dwelling. If both are similar in size, then it may be a duplex. The appraiser should comment on the highest and best use to determine if duplex or an ADU.
What if appraiser can't find comps with Accessory dwellings units (ADU's)	the appraiser needs to comment why, however if there are no comps of adu's then maybe the highest and best use is a single family
WAS THE ACCESSORY UNIT ACCEPTABLE	please state your question again
If Accessory has same tax ID but separate electric meter is it still considered an accessory unit? SV	It is the appraiser responsibility to determine how the property will be appraised
Can you explain what is acceptable for accessory units?	Reference: Handbook 4150.2, Appendix D, page D-21. An accessory unit can be attached or detached. It should provide the basic requirements for living, sleeping, eating, cooking, and sanitation. Depending on the location of the unit, it can be considered as either above grade square footage or basement square footage, which is reported along with the area of the main unit. The zoning can vary but is usually "legal non-
If a home has a mother in law unit, if none of the comps do, should the appraisal be rejected since it has a component that is atypical of the market?	that is the ud call. If the appraiser has provided comments that there are other properties with adu's that have not sold it may be acceptable. The appraiser may also need to expand the search area to provide comparables
if the	Reference: Handbook 4150.2, Appendix D, page D-21. An accessory unit can be attached or detached. It should provide the basic requirements for living, sleeping, eating, cooking, and sanitation.
Do we have to have pictures of the attic or is a comment acceptable?	A photo is not required, a comment is acceptable.
does the appr have to state that the attic/crawl space was inspected with head and shoulders	no
If the appraiser provides a photo of the attic, does he still have to make a comment that it was inspected?	no
Must an appraiser turn on each electrical or water outlet for this requirement? jp	All utilities should be tested by the appraiser
If utilities are not on (i.e. a winterized foreclosed property) and a PCR report is included stating that plumbing has been pressure tested, furnace blower is functioning, etc - is this sufficient?	On a HUD rep the pcr can be used if the utilities were not on. Please contact the REO dept. through the resource center for additional information
Can a converted garage(inferior to the home) be considered an accessory unit, if the zoning is residential, one unit, with single utilities? Is there a mortgagee letter? CB	Reference: Handbook 4150.2, Appendix D, page D-21. An accessory unit can be attached or detached. It should provide the basic requirements for living, sleeping, eating, cooking, and sanitation. Depending on the location of the unit, it can be considered as either above grade square footage or basement square footage, which is reported along with the area of the main unit.

if the appraiser states the attic is sealed shut and cannot be accessed through the scuttle, do the sellers have to provide access to the appraisal.. RR	Yes, the appraiser must inspect the attic and crawl space. If the appraiser cannot inspect, then they should make access to these areas a condition of appraisal.
One of previous QA answers said	It is the appraisers responsibility to inspect the attic
Appliances: Does that include a range/oven?	Must a new or existing home have a stove in order to be eligible for FHA financing? Answer Neither a new home nor an existing home has to have a stove in order to be eligible for FHA financing. Handbook 4905.1 REV1, Section 2-5'
does the property have to have appliances prior to loan closing to be eligible for fha financing	no
We have been told that a	A sink with running water is required. Appliances are not required, however the appraiser should make an adjustment for lack of appliances if all comps have appliances.
HUD REOs - utilities and mechanicals are usually not on and UW usual is only able to review Property Condition Report. How do we address the utilities issue?	Request REO Department Marketer to have the utilities turned on for inspection.
what are the requirements for a missing stove	None, FHA does not require appliances, unless it is part of the sales contract
if a builder does not put in the appliances until after closing to avoid theft, can the lender do a cert as to their placement after closing?	No if it is part of the contract the appraisal is to be subject to
If an appliance is built in, is it required to be in place?	Appliances are not required by FHA, however is missing, the appraiser should make an adjustment if the comps have appliances.
Did you just say that FHA does not require appliances? I was told by Santa Ana HOC that if the property had appliances, ie. dishwasher, built in microwave, built in stove top, that are missing must be replaced	FHA does not require appliances, however, the appraiser should note the absence of typical appliances and evaluate the effect on the value of the property and in comparison to the other comparables. In all cases, if the absence of an appliance creates a safety issue, a condition to remedy the problem must be made.
can the DE lender `cut` the lendable value (since responsible) if they do not agree w/the appraiser`s value while not actually cutting the appraised value (FHA connection showing appraised value)	You can analyze the appraisal on Form 5114 and note your variances.
scrape paint front porch - built before 1978 does FHA allow escrow hold back due to weather?	Some instances adverse weather may prevent completion of exterior repairs on an existing property In these situations, funds may be escrowed @ 150% of the estimated repair costs & FHA will accept Form HUD-92300, at the time of endorsement. This procedure may be used only when the following conditions apply: 1. The dwelling is habitable, safe, and essentially complete 2. The deferred work cannot be acceptably completed prior to loan closing, but will be completed within six months 3. All other conditions of the appraisal have been satisfied by compliance inspections or by an acceptable Mortgagee`s Assurance of Completion, AND, 4. The lender has not been denied the privilege of using a Mortgagee`s Assurance of Completion due to poor follow-up or non-satisfaction of outstanding escrows. The lender assumes the obligation to satisfactorily complete the repairs or improvements, regardless of the adequacy of the funds reserved in escrow
Is a Engineers report the same as a home inspection?	no
Is carpeting still consider cosmetic if underfloor is unfinished (concrete or unfinished floorboard)?	yes, however, the underflorr may not have any safety hazards... ie tax strips, rough concrete
If the floor covering is removed and it`s just sub flooring, is that acceptable, or does it need to be sealed? lct.	The appraiser needs to determine if the floor is safe for walking
Can you go over the window seals requirements	Window seals that have failed are acceptable. The appraiser may need to make an adjustment under condition.
I was told by another underwriter that the SAHOC requires a termite inspection and completion on every loan. Is this true? CG	no
Regarding drainage problems. If weather prevents seeing drainage, do we need to do anything?	not sure of your question
FHA does not require floor coverings? So just a sub floor is ok?	if the sub floor is safe and does not create a hazard
Is there a minimum life expenctancy requirement for roof?	two years
What about painting repairs?	If the home was built before 1978 then lead based paint abatement procedures must be followed. All bare wood on any home must be primed and painted.
How does the U/W respond when the appraisal reveals a room full of unidentifiable things.	Need more information to answer the question
Please give more info on Lead Paint prior to 1978....does property still need to be scraped, washed and repainted?	please refer to Handbook 4150.2 and mortgagee letter

Roof Cert require Water Tight for a minimum 2 or 3 years?	two years
Is there still the requirement of the roof life of at least 3 years?	two years
FHA does not require carpet or flooring, you can have a cement floor?	Yes.
Is the month and year built required on all property types and age?	Just the year for existing, for new construction-less than one year, need month and year, if close to one year old-need month, day and year. Thank you
Are you going to post all the Q&A's from class? I tried to copy them to review later, but can't	yes
Is the DE underwriter suppose to always ask for well & septic inspection if house has been unoccupied for more than 30 days for example if bank owned even if appraiser does not state any issues	please refer to ML 05-48. this is not an automatic inspection
Can we get a copy of the Q&A at the completion of this training?	Yes
please repeat info about date of sale waiver	To request a waiver because 1 or more comp(s)1-3 are over 1 year old, contact the Tech Support branch at the HOC that has jurisdiction based on where the property is located.
What was the last statement regarding asking for a waiver?	You must provide your request directly to Tech Support, along with a copy of the appraisal. When waiver is obtained, borrower must acknowledge he is aware of the condition for which the waiver was requested.
I thought the waiver was no longer available for comps over 1 year old. Is this now available again?	Comps over one year old in position 1, 2 and 3 in the appraisal can be submitted to the local HOC for a waiver. You must submit a copy of the appraisal. The appraiser must state what steps were taken to find more recent comps.
please explain again when a waiver should be requested. you lost me. rm	please contact 1800callFHA for waiver specific questions
If comps over 6 months, did you say a waiver is required from local HOC?	Comps over 12 months, Thank you
Do you not care about the price per square foot differences between the subject and the comps?	The price per square foot should be bracketed if possible. If the price per square foot is much higher or lower a careful review of the appraisal should made.
What is the maximum allowable percentage of adjustment you would accept on a subjective thing like	The per line adjustment guideline is 10%. However, the appraiser may exceed this with proper documentation and explanation
Process for requesting waiver mentioned in comp discussion page 33.	To request a waiver because 1 or more comp(s)1-3 are over 1 year old, contact the Tech Support branch at the HOC that has jurisdiction based on where the property is located.
Is peeling paint still a required repair?	Yes, Thank you
PA indicates new roof being put on by seller. Appraisal does not require apprsal repair. Is this considered a sales concession?	Not necessarily, The appraiser has appraised the home "as-is".
If the appraiser recommends an inspection for mold, but no mold is visible what action should be taken	The appraiser should not recommend this type of inspection if none is visible
Please discuss distance of comps and leeway for manuf or mod homes (proposed construction).	FHA suggest comps be within a one mile radius, however, when appraising in a rural area this may not be possible. The appraiser needs to comment when using comps outside a one mile radius
What are the percentages of net vs gross adjustments?	10% line, 15% net and 25% for gross adjustment guidelines.
What was the guideline for the net adjustments. KC	10% line, 15% net and 25% adjustment guidelines.
Your answer is wrong on above ground storage tanks..Part 51 says it depends on the gallonage of the tank and the type of fuel stored	thank you
I thought an earlier question was asked about a comment about the attic and the answer was that the appraiser knows they are required to check attic and crawl & we don't need a comment unless there is a problem. Is that correct? PB	the appraiser should comment that the attic and crawl space has been checked and then note any concerns
Appraiser often adjust for bedroom count when already included in the GLA, is this acceptable	Yes
What about on a condo duplex down (style), can appraiser use basement GLA?	basement is not to be included with the gla.
2 br properties - how many comps must also be 2 br? -sm	As many as possible. If 2 bedroom comps are not available, the appraiser should comment and possible adjustments should be considered.
one bedroom homes have limited marketability-what if no comps are available-can we use old ones and then perhaps 2 bed ones as comps adjusted for differences and marketability? if none then we decline...	Yes. the appraiser should discuss the impact on value and marketability of a one bedroom home. The appraiser can use listing, pending and under contract comps for position 4-6.
what are acceptable	The appraiser determines acceptable site adjustments
Please clarify the repair of peeling paint. If the dwelling was built after 1978, is peeling paint still a required repair? jv	if required by the appraiser

The comment about the difference between 3 and 4 bedroom homes was unclear. In fact, it sounded like steering of the appraiser to only adjust for SIZE, when in fact this may or may not be appropriate after logical market analysis. Could you please clarify this area?	Depending on your market there may be an adjustment for GLA, and room count, only the appraiser can make that call
if 2 acre site is it acceptable to adjust comparables when they all have less land?	This would create across the board adjustments which is a red flag for overvaluing. The appraiser may want to expand the search radius to provide comparables with similar site sizes
Would a fourth comp with a 3 car garage be acceptable.	Please ask a complete question. Did the other 3 comps not have a 3 car garage?
Which handbooks apply to appraisal/property requirements?	Information for this presentation was taken from the following handbooks: 4150.2 - Valuation Analysis, 4145.1 REV 2- Architectural Processing & Inspections, 4905.1 REV1 - Requirements for existing 1-4 family units and 4910.1 (7/94) Appendix K, MPS Proposed construction 1-4 family
Would a garbage disposal not working be required to be repaired?	Yes. This would have an effect on the workability of the kitchen; if there were no garbage disposal in the kitchen, installing one would not be a requirement.
They just made comment comps that are 12 months old require exception from specific HOC office. Yet some HOC offices state they are currently not accepting request for exception is this so?? or are all HOC offices now reviewing for exceptions?	You must contact the appropriate HOC for guidance.
Do we have to require well inspection if house empty for 30 or more days even if appraiser does not state?	This would be underwriter's discretion if there is some evidence that there might be a problem with the well.
Appraiser made design adj for 1.5 & 2-story based on sq ft - correct?	The appraiser should make an adjustment if necessary in their market. The appraiser should discuss the differences in the market.
At one time had been told the minimum economic remaining life was 40 years--ist this incorrect?	Remaining economic life must be at a minimum the term of the mortgage.
Where did you say the remaining economic life should be?	Should be the greater of the term of the loan or 30 years. Thank you
how do we make the call between an accessory unit vs calling it a 2nd unit? klo	An accessory unit will have the same utilities and tax ID as the subject property; a second unit or building will have a separate tax ID and utilities and probably a separate legal description/municipal address. The appraiser will make a distinction for you.
How would the sample sketch shown illustrate if one had to go through a bedroom in order to reach a bathroom? How about other items such as closets, cabinetry, and fixtures?	The appraiser does not need to sketch the interior walls unless there is functional obsolescence.
Should the sketch include the basement?	hud does not require a sketch of the basement
Please confirm if final LT taxes, Ins and HOA must match conditional commitment or conditional commitment is allowed with estimates.	Reference: Handbook 4150.1. The appraiser can use either: assessor or treasurer estimates, or; may estimate taxes based on comparison with the tax rates for comparable sales, or they may be determined from the sales price and the current mill levy rate. The tax figure should match the DE Loan Approval, the 92900.A for accurate ratio calculations and be reflected on the Conditional Commitment.
Did you say both sides of subject property should appear in photos with front and rear?	Either that or have side photo's as well as front and back.
I have a property in rural county in Virginia, manufactured house, comps are 7.5 mi, 38 mi and 40 mi. sales price \$138,000, site adjustment \$45000 on two comps due to water view . 2 comps are over 6 mos old. what should I look/ask for, appraiser states that comps given are only comps available	For case specific questions, please contact the appropriate HOC and ask for Technical Support. Thank you
Does the appraiser have to indicated that there is a functional obsolescence if there is no bath on 2nd floor where there is a bedroom? sd	Typically, the lack of a bathroom on the second floor where there are bathrooms are would be functional obsolescence, however the appraiser should determine this in the local market.
are comp photos from appraiser's database acceptable (or listing photo) that reflect different season	Comp photo's need to be taken at the time the appraisal is being completed.
What about properties that sit on a private drive and appraiser says they can not provide better photo? SH	The appraiser should provide a photo of what they can see (driveway or fence) and if possible include a MLS or other photo.
can the appraiser use prior photos for comps, example a photo he had from a prior appraisal he had previously done say 3 months ago ka	yes that is ok
Is the appraiser required to list the number of days on market for the comps?	the appraiser should list the dom
does the seller have to provide access to the attic if it has been sealed shut?	That is correct.

Can peeling exterior paint on a building prior to 1978 have an escrow holdback due to weather related circumstances?	see Handbook 4155.2: 4. 6. d Adverse weather conditions may prevent completion of exterior, funds may be escrowed @ 150% of the estimated repair costs) & FHA will accept a Form HUD-92300, at the time of endorsement. This procedure may be used only when the following conditions apply: 1. The dwelling is habitable, safe, and essentially complete 2. The deferred work cannot be acceptably completed prior to loan closing, but will be completed within six months 3. All other conditions of the appraisal have been satisfied by compliance inspections or by an acceptable Mortgagee's Assurance of Completion, AND, 4. The lender has not been denied the privilege of using a Mortgagee's Assurance of Completion due to poor follow-up or non-satisfaction of outstanding escrows. The lender assumes the obligation to satisfactorily complete the repairs or improvements, regardless of the adequacy of the funds reserved in escrow.
What is the correct way to calculate the Median Sale Price as % of List Price box? WER	This info is typically listed in MLS. The list price to sale price is a percentage
If the property is in a declining value, should the appraiser lower the value? What should be done?	the appraiser is required to provide two listings within ninety days, and two active listings that have been seasoned
What if the appraiser notates unavailable on the 1004MC?	In some rural areas there is insufficient data for the 1004MC. The appraiser should furnish as much info as possible and comment on why more data is not available.
When, if ever, are stressed sales (short sales, foreclosures, etc.) valid comparables?	If distressed sales appear to be driving the market the appraiser should strongly consider using them
must i escrow for repairs that are going to be completed post closing but are being paid in full by the seller at closing and indicated on the hud1	Yes - must meet requirements per Handbook 4155.2: 4. 6. d Adverse weather conditions may prevent completion of exterior, funds may be escrowed @ 150% of the estimated repair costs) & FHA will accept a Form HUD-92300, at the time of endorsement. This procedure may be used only when the following conditions apply: 1. The dwelling is habitable, safe, and essentially complete 2. The deferred work cannot be acceptably completed prior to loan closing, but will be completed within six months 3. All other conditions of the appraisal have been satisfied by compliance inspections or by an acceptable Mortgagee's Assurance of Completion, AND, 4. The lender has not been denied the privilege of using a Mortgagee's Assurance of Completion due to poor follow-up or non-satisfaction of outstanding escrows. The lender assumes the obligation to satisfactorily complete the repairs or improvements, regardless of the adequacy of the funds reserved in escrow. s follow
what if declining market and/or over supply and the appraiser is not able to find at least two comparables that have sold in the last 90 days, is this automatic reject for collateral?	No, the appraiser should find as many recent comps as possible and explain why more recent comps are not available.
how does one identify acceptable adjustments for comps that are actively listed? 1% - 3%	not sure of your question
If a pending sale is used as a comparable 1-3, do we need to followup that it was closed?	a pending sale cannot be used as comp 1-3. Thank you
How many listings are needed?	Two, active listings.
If snow prevents seeing the drainage and it is not probable that weather will change in the next month, do we have anything we need to require?	Call the FHA call center for more detailed answer at 1-800-225-5342.
I've had appraisers refuse to complete the 1004MC due to lack of information/limited sales and listing or lack of resources (i.e. no MLS, non-disclosure state, etc). Is this acceptable to any HOC?	The 1004 MC is required for all FHA Appraisals. Thank you
Please clarify how the appraiser is to report comps and or adjustments that don't meet the norm. Things like newer sales not being found, across the board adjustments needed since there are no comps that are identical. A cookie cutter approach to value can't always fit each case. GLW	The appraiser needs to provide an explanation
will we be able to copies of all the great questions and answers? HR	These questions and answers will be available in that archived version so you can always access that and cut and paste from the "Answered Questions" section.
2nd appraisal required 91-180 days if over 100% increase. What about flip waiver 1-90 days? (BL)	A second appraisal or documentation of the repairs that increased the value would be acceptable. Please refer to the January 15, 2010 press release for additional guidance
The questions we are reviewing online, can we print these after this is completed?	These questions and answers will be available in the archived version of this webinar so you can access them and/or cut and paste them at anytime.
If property is transferred from one LLC to another LLC but companies are owned by same individual is this considered a flip? Appraiser indicates all are with same owner only transferred to	Transferred from one LLC to another LLC is considered a flip. There is no exception for LLC transfers even if both are owned by the same person.
Use of	If the appraiser has driven by the comps recently this would be acceptable, however, if the appearance of the comp has changed since the prior photo it is wise for the appraiser to drive the comp. again

How does FHA determine the actual date of the seller acquisition of the property- by the date of the closing statement or date of the recording of the deed transferring title?	the date the title transferred
Please explain this section of ML 2005-02.	MLS is not an acceptable verification source. The appraiser must follow the requirements or state what steps were taken to verify the sale.
What about properties sold between 180 days to 1 year?	please state your question again?
Who can do property inspection?	Property inspection for what?
what do you mean by a property inspection for a flip?	Go to the link below for complete information http://www.hud.gov/offices/hsg/sfh/currentwaiver.pdf
When a resale occurs 1-90 days and resale price is over 20%- please clarify- property inspection needs to be in case binder or just provided to borrower?	It needs to be in the case binder
can the seller pay for the 2nd appraisal in this case?	Case specific questions should be referred to the FHA Resource Center by calling 1800callFHA
For the property inspection requirement on a property who performs this inspection	Please be more specific. What type of inspection are you referring to?
Is a 2nd appraisal required if the sale was longer than 180 days ago but the sale price is over 100% paid by seller??	yes
If the first appraisal is higher than the 2nd appraisal with several discrepancies, can we use the lower supportive 2nd appraisal value? Which appraisal do we log in to FHA connection?	the values is more the 5% higher the lower value has to used
91 180 days w/resale price of 100% or more. 2nd appraisal may be charged to borrower.	No, you cannot charge the second appraisal to the borrower.
Please confirm that the seller's acquisition date is the date of purchase(as per the date on the deed transfer), not the recording date of the deed transfer. (subject to prudent review to confirm the legitimacy of the sale documentation) thanks	it is the date of the transfer of title
When, if ever, can the borrower be charges for a 2nd appraisal? VO	the borrower cannot be charged for a second appraisal
On foreclosure properties that are currently held by lender or their 3rd party REO contractor, what is the seller acquisition value? the amount of the last UPB before previous owner defaulted? In these scenarios the conveyance value is a small fee for the recording of foreclosure.	the ud can use the assessed value for appraisal logging purposes
Can the 2nd appraisal be charged to the borrower or not?	Please refer to ML 2009-48 for clarification
If an appraisal is already ordered and you can't get it, and you have to order a 2nd appraisal, what do you do in the FHA Connection to reflect this?	please contact the FHA Resource Center for this case specific question
Is it acceptable to order a field review to support whether an indicated value is acceptable when value appears to be	FHA does not require a field review, however, the lender can oder a field review
How long is an HUD owned REO appraisal good? per ML 00-27 it states 180days, but a more recent ML changed all others to 120 days?	Please refer to ML 2010-08 for clarification of REO appraisal validity periods
Does Mortgage insurance have to be reflected on the 92900.5?	it should be reflected on the 92900A
so on the 2nd unit vs accessory...we would always go with what the appraiser calls it. Is that correct?	As a DE underwriter you should review all information on the appraisal. The appraiser should discuss the highest and best use, and why he determined the unit to be a ADU or a duplex.
Can you update an appraisal on a refinance? (dated 120 days to get to 150?)	The term of the appraisal begins on the day the home is inspected by the FHA appraiser and this date appears on the appraisal report. If a sales contract is signed or the borrower is approved for a loan prior to the appraisal expiration date, the appraisal term may be extended by the lender for 30 days to allow for loan closing. Approval occurs when the lender DE underwriter signs the FHA Loan Underwriting Transmittal Summary, Form HUD-92900-LT. The loan must close within 150 days (120 day validity period for original report plus 30 day extension), if the appraisal has not been updated with an Appraisal Update Report (Fannie Mae 1004D/Freddie Mac 442) as set forth in Handbook 4155.2 (Mortgagee Letters 10-13 and 09-51).
Is a second appraisal required for a resale between 91 and 180 days with a resale of 100% or more if the seller is FNMA, FHLMC or a federally chartered bank?js	Please refer to ML 09-48 for clarification

Can you extend an fha appraisal on a refinance?	The term of the appraisal begins on the day the home is inspected by the FHA appraiser and this date appears on the appraisal report. If a sales contract is signed or the borrower is approved for a loan prior to the appraisal expiration date, the appraisal term may be extended by the lender for 30 days to allow for loan closing. Approval occurs when the lender DE underwriter signs the FHA Loan Underwriting Transmittal Summary, Form HUD-92900-LT. The loan must close within 150 days (120 day validity period for original report plus 30 day extension), if the appraisal has not been updated with an Appraisal Update Report (Fannie Mae 1004D/Freddie Mac 442) as set forth in Handbook 4155.2 (Mortgagee Letters 10-13 and 09-51).
HUD REO-if the REO contract is ratified prior to the appraisal expiring but the DE gets the loan after the appraisal has expired can the DE give the extra 30 days? This is very confusing.	The underwriter can only extend an appraisal before it has expired.
Should the conditional commitment reflect 120 or 150 days	It should be noted on the 92900 LT and 92800.A and the expiration date on the 92800.5b should be corrected to match - with explanation notes.
THIS IS THE DE UNDERWRITERS DECISION?	please clarify your question
2 active listings on all appraisals are required?	In a declining market the appraisal is to include a minimum of two active listings or pending sales on the appraisal grid of the applicable appraisal reporting form in comparable 4-6 position or higher (in addition to the three settled sales).
Does the loan need to be insured within the 150 day validity period?	the loan must be closed within the maximum validity period or it will not be insured
If an FHA appraisal has been done for a purchase, and that transaction falls through and a different purchaser comes along, does the original appraisal need to be used, or should a second appraisal be ordered?	if the original appraisal is still valid it should be used
How does FHA know that the De underwriter extended it. Is it documented anywhere	It should be noted on the 92900 LT and 92800.A and the expiration date on the 92800.5b should be corrected to match - with explanation notes.
On the conditional commitment should the expiration of the appraisal be 120 days or 150 days if all conditions were met?	120 days unless you have requested and been awarded an extension.
If it is determined that the appraiser provided a deficient appraisal, and it is apparent the appraiser can not provide a revised report in compliance with FHA, how do you go about ordering a new appraisal, and reassigning the case number to the new appraiser in FHA connection? What happens to the first appraiser?	Please refer to ML 09-29 for guidance with this question
Does the 1004D only have to be ordered prior to expiration? Does it have to be received by the expiration the date also?	the 1004D should be completed prior to the expiration date
what consists of the	please refer to ML 09-51 for clarification
I thought that we could extend for 30 days if the sales contract was executed prior to the expiration of the appraisal (120 days)? Has this changed and now the borrower must be approved prior to initial expiration date? PB	: Handbook 4155.2. A 30-day extension to the appraisal validity period of the original appraisal may be granted if the borrower signs a valid sales contract or is approved for a loan prior to the expiration date of the appraisal. Approval of the borrower occurs when the lender's DE underwriter signs the HUD-92900-LT, or an approval is obtained through TOTAL Scorecard. The 30-day extension cannot be used along with an appraisal Update.
Please confirm that the 30 day extension is based on the approval date and not contract date. (if loan has not been approved, but contract predates expiration of appraisal, when does the additional 30 day count begin)	If a sales contract is signed or the borrower is approved for a loan prior to the appraisal expiration date, the appraisal term may be extended by the lender for 30 days to allow for loan closing. Approval occurs when the lender DE underwriter signs the FHA Loan Underwriting Transmittal Summary, Form HUD-92900-LT. The loan must close within 150 days (120 day validity period for original report plus 30 day extension), if the appraisal has not been updated with an Appraisal Update Report (Fannie Mae 1004D/Freddie Mac 442) as set forth in Handbook 4155.2 (Mortgagee Letters 10-13 and 09-51).
Is the < 90 days waiver in place for a prior sale where the seller is a not a bank, government agency, beneficiary of an inheritance? In other words, the current sale is a true flip and the current sales price is > 20% of the prior sales price? Will FHA now (until 12/31/11) insure this loan with a property inspection and either a 2nd appraisal or evidence of renovations/rehab? What constitutes evidence of renovations/rehab?	Please refer to the January 15, 2010 press release for additional guidance regarding your question
Is an assignment letter ever required when an appraisal is transferred?	no
2 br property - what if there are no 2 br comps?	The appraiser should discuss why there are no 2 bedroom comps and what impact a 2 bedroom home has on value and marketability. If an adjustment is required, it should market supported.
Do we use 234C for site condos or 203b?	203b

can fnma 1004d replace by compliance inspection report?	Please refer to ML 09-51 for clarification
What appraisal form do we use for a	Site condos can be appraised on the 1004 form.
Supportive reference for the requirement of the DE signature on 92800.5b	please state your question or contact the FHA Resource Center for case specific questions
To add to original question, there is evidence of water damage due to leak in chimney. Leak has been repaired but the appraiser did not recommend the mold certification. Is this required	As this is considered to be a health and safety issue, the lender should have a professional in that area inspect the property
is the estimate of value considered the appraised value, or purchase price, if the purchase price is lower ?	The LTV should be determined on the lower of the appraised value or purchase price
why are all of the attic answers contradictory? does lender need to confirm appraiser checked it?	Yes, if the appraiser makes no comment about the attic.
Does conditional commitment should have all actual taxes, ins and HOA or estimates acceptable? co	Should be actual charges.
Commitment date is effective date of appraisal correct?	The date the appraisal was performed.
Does the conditional commitment need to reflect the monthly MIP individually or just in total	individually.
can you say see attached for list of repairs	Prefer you itemize on the 92800.5.b or on the reverse side of the 92800.5.b.
Does the total in item F of the 92800 also include the monthly MIP amount?	The monthly MIP should be included.
we were informed by our HOC that the commitment date should be the final DU date?	please contact your HOC and clarify the dates - Action Date or Commitment Date
Does a property in Florida need air conditioning. Where can I find this information.	Air conditioning is not a requirement for an FHA loan.
Commitment issue date should be the Appraisal date and the commitment expiration is the expiration date of the appraisal?	The Commitment Issue Date will be the date of the appraiser's inspection as found on the appraisal report. The Action Date should be the date of loan approval and coincide with the approval date on the 92900.A. The Expiration Date on the 92900.A should match the expiration date on the 92800.5b.
Will you be covering info on whether there is a new set of appraisal rules with the passage of the Dodd-Frank financial reform legislation?	Not at this time
Please go over again on conditional commitment..action date, commitment issued??	The Commitment Issue Date will be the date of the appraiser's inspection as found on the appraisal report. The Action Date should be the date of loan approval and coincide with the approval date on the 92900.A. The Expiration Date on the 92900.A should match the expiration date on the 92800.5b.
If the update (1004D) is provided. Does this extend the appraisal for an additional 120 days? Also, I just want to clarify - if the update is ordered, it is required to be ordered, before the appraisal expires, correct?	Correct. An update on the 1004D extends the appraisal validity an additional 120 days, but must be ordered prior to the original expiration date.
Will a recording of this training be available for a limited time? If yes where may we find the recording?	A: Yes. The Webinar will be accessible immediately following the live Webinar and available anytime after the scheduled event by navigating to the Webinar Event Link sent to you in your invitation or by accessing the FHA website http://www.hud.gov/offices/hsg/sfh/talk/parc/phiarch.cfm .
Did you say that on Flip transactions a Property inspection is also required even with the 2nd appraisal.	If the resale price of the property is greater than 20% above the seller's acquisition cost a property inspection is also required. Please visit http://www.hud.gov/offices/hsg/sfh/currentwaiver.pdf
Form HUD 54114 expired per OMB approval 11/30/03 could we still use it?	yes
When you extend the original appraisal the 120 days, how do you put this in the FHA Connection?	Please contact the FHA Resource Center for FHAC questions.
When using the HUD 54114 to assign different value than appraiser, is there a limit in adjustment? 5%, 10% etc?	No
Is there a limit on how much the DU underwriter can adjust the value?	No, the underwriter must justify.
IS the estimated amount of Homeowners Insurance always required?	Yes.
Did you say 2 listings are required on all apps?	A minimum of 2 active listings or pending sales are required when the appraiser indicates the subject is in a declining market.
conditional commitment- what date should be used for the action date? also the date of the cond commitment is the date the appraiser did the appraisal and we give the expiration date of 4 mo?	The action date is the date the DE Underwriter issues the 92800.5B Conditional Commitment. The "Commitment Issued" date is the date of appraiser inspection, and the expiration date is 120 days from that inspection date.
I thought if the ground was broken it would be under construction?	Proposed construction is before concrete is poured, under construction if after concrete is poured.
what if in county that does not issue cert of occupancy / can we use other doc?	the equivalent to a CO is 1) building p 2) inspection cards reflecting all inspections 3) Certification from the DE indicating the inspection card is equivalent of a CO 4) DE must complete 92900-A page 3

Can compliance inspection report be replaced by FNMA 1004D Report?	The 1004D Certification of Completion may be used instead of the 92051 for repairs that do not require architectural expertise. The 92051 compliance inspection is still required for new construction, manufactured homes, and repairs that do require architectural expertise such as systems or structural repairs.
Aren't we to use the FNMA final inspection form instead of the old FHA repair insp report?	You may use the FNMA 1004D instead of the 92051 only for inspection of repairs that do not require architectural expertise. The 92051 must be used for repairs that do require expertise, such as system or structural repairs, and must also be used for final inspection of new construction and for manufactured home inspections.
If it is more than 90% complete we do not need the Builders Cert????	if property is 90% or more complete at the time of inspection the appraiser does not need the plans/spec's. However, you still need the Builders Cert.
Can the appraiser do the final inspections for property at 90% or more?	See Valuation FAQ's #5 which states anyone the lender selects for 90% or more completed properties can do the final inspection for cases processed under guidance of ML 01-27, otherwise the final must be done by a fee inspector.
It was my understanding a 1004D was now required, is that not correct?	Is this for a repair inspection?
what was the third case that the CIR would be required to be completed?	
does hud accept Fannies compliance inspection report?	The 1004D Certification of Completion may be used for compliance inspection for repairs that do not require architectural expertise. It may not be used for inspection of repairs that require architectural expertise such as system or structural repairs may not, or as a compliance inspection on new construction or for manufactured homes. In those cases the 92051 must be used.
Is Form 442 acceptable for repairs only?	The form 442 is not acceptable. Please use the 1004d for inspecting of repairs. If it is new construction the compliance form must be used
Can you please clarify if the Compliance Inspection Report or the 1004D should be used for the final inspections on new construction. KK	When final inspections on new construction are required, they must be completed by a fee inspector on the 92051 Compliance Inspection report.
CAN THE ORIGINAL APPRAISER COMPLETE THE FINAL INSPECTION ON A 90+ CONSTRUCTION OR MUST IT BE A FEE INSPECTOR	See Valuation FAQ's #5 which states anyone the lender selects for 90% or more completed properties can do the final inspection for cases processed under guidance of ML 01-27, otherwise the final must be done by a fee inspector.
Can a de underwriter accept pictures and certification of work repairs are completed from whomever completed the work, if the repair is minor?	If the repairs are minor, the DE or anyone qualified can do the final inspection
Can you list when 1004D cannot be used and must have the compliance inspection report. co	The 1004D can be used on any repairs, except for new construction. The compliance inspection form can be used for repairs if the lender prefers this form
Could you go over when DE would sign	The DE Underwriter should complete section IV which includes items A,B,C
Compliance Inspect report who signs A B C	The DE Underwriter should complete section IV which includes items A,B,C
Can you do max LTV on new construction or existing less than 1 year old, without the soil treatment NPCA99a or 99b?	Not if the property is located in a termite State.
where can we go to see the question and answers to these questions?	You can go to the "Answered Questions" button under the slides.
Are FHA appraisers allowed to use foreclosure sales as a comparable to indicate the current market value	Typically, these type of sales should not be used. However, If they are a large portion of the market and they were exposed to the market (listed in MLS) they should be considered. The appraiser should discuss their impact on value in the local market.
If the original appraisal date is now over 120 days old but an update 1004D has not yet been ordered, is a total new appraisal required?	Yes, you can only request an extension prior to the original appraisal's expiration date.
is there another scheduled appraisal training on a future date?	We do not currently have another training scheduled; when one is scheduled it will be announced on the HUD email list. You will be able to view this training again through the archive link provided PDF of the presentation in the Supporting Materials.
Can you go over again what you said about requirements when any questions 1 a-f on builders cert are answered as YES?	Additional documentation is required. Condition for a copy of a report or certification from a licensed engineer showing the property is in compliance with HUD requirements for structural soundness as well as health and safety of the occupants. Condition for a copy of a report or certification from a licensed engineer showing the property is in compliance with HUD requirements for structural soundness as well as health and safety of the occupants. For example; if the site has expansive soils obtain the engineer's soils report.
can the buyer pay delinquent HOA dues?	Please contact the FHA Resource Center for case specific questions

ML 09-51 states that FNMA form 1004D can be used for repair inspections on case numbers assigned on or after 2/15/2010. Why was this not addressed? rm	The use of the 1004D is covered on slide 51. It may be used in lieu of the 92051 for inspection of repairs that do not require architectural expertise. It may not be used for repairs that do require expertise, such as system or structural repairs; it also may not be used for manufactured housing or as a final inspection on new construction.
So what is the difference between the HUD tag (red tag shown on the slide) and the DATA plate?	The data plate is a paper sheet typically 8 X 11 inches glued to the inside of the kitchen cabinet door or in the furnace area.
Can a case number be received after the appraiser has completed the appraisal. Appraisal Dated 2-23-2010	For cases assigned on or after February 15, 2010, the appraisal effective date cannot be before the assignment date unless the lender certifies, via the certification field in the FHAC Appraisal Logging Screen, that the appraisal was ordered for conventional, HUD REO, or government guaranteed loan purposes but was performed by a FHA Roster appraiser and is being converted to FHA. The lender must: Ensure the appraisal was performed according to FHA requirements (Handbook 4150.2, CHG.1 and subsequent mortgagee letters) which may entail a re-inspection of the property by the appraiser; and Include documentation in the case binder substantiating the conversion. The appraiser must be actively listed on the FHA Roster at the time of selection and during the time period in which the appraisal is performed. If the appraiser is not current on the FHA Roster at the time of the effective date of the appraisal, the loan will not be eligible for FHA insurance
Please discuss distance of comps especially on manuf homes.	There is no set distance. The appraiser must find the most similar comparables that are located closest to the subject that are the most recent. In rural areas the distances are greater. The appraiser should discuss why it was necessary to expand the search area for distant comparables.
Can I get the phone number for FOIA again?	contacting HUD's FOIA office at (202) 708-3475, ext. 7647
If a comp has changed significantly since the date of sale (eg. large addition, new siding, rehabbed), wouldn't you want the comp photo to be reflective of the appearance of the comp at the time of sale, and not currently? What would be the purpose of the appraiser revisiting the comp months after the closing if such changes are not reflective of the property at the TIME OF SALE?	In this scenario the appraiser may support the current photo with a photo from time of sale and provide an explanation in comments.
Is a 2nd appraisal required even if sale was over a year ago but was a foreclosure sale and price is over 100% higher than seller paid?? MSG	A 2nd appraisal is not required if a sale was over 1 year ago
on slide 47 - who is required to perform the property inspection if the sale price is greater than 20% and how is it documented (what form)?	The property inspection must be completed by a qualified professional.
WHAT IS REQUIRED FOR A NEW CONSTRUCTION IN A FLOOD ZONE	1) A final letter of Map Amendment (LOMA) or final Letter of Map Revision (LOMR) that removed the property from the SFHA location is obtained from FEMA; or 2) If the property is not removed from the SFHA by a LOMA or LOMR, the lender must obtain a FEMA National Flood Insurance Program Elevation Certificate (FEMA form 81-31 "elevation certificate") prepared by a licensed engineer or surveyor documenting that the lowest floor (including the basement) of the residential building and all related improvements/equipment essential to the value of the property is built at or above the 100 year flood elevation in compliance with the National Flood Insurance program criteria as required in 44 CFR 60.3 through 60.6.
Is it possible to view all the posted Q&A?	yes
If the property was transferred w/in 91-180 days because of foreclosure, does that require second appraisal? I've read through 09-48, but I don't see where it addresses this situation.	if the purchase price exceeds the original acquisition cost of 100% or greater
is a post and pier foundation ok for a mfg home?	The manufactured home must meet the FHA Manufactured Home requirements and an inspection by an engineer. Post and pier is a vague description. The home must be permanently attached to a foundation.
Will the answered questions be posted immediately after training as a supporting material document. There seem to be a lot of good questions?	You can always access the Q&A from the archived version which should be posted later this afternoon.
If an appraisal expires and an update is no ordered prior to the expiration date- do we have to cancel the case number and order a new one?	yes
Your QA a response said the property Inspection report on flips >20% increase during first 90 days is to be completed by the borrower? How can that be - we get a borrower letter that says they've inspected the property? w ould have expected you to say the lender needs to hire a property inspector. thx	Please contact the FHA Resource Center for further clarification. The inspection report cannot be completed by the borrower

regarding built in appliance.. is it required that the appliance be installed because a space was built for it?	FHA does not require appliances. If they are missing, the appraiser should make an adjustment for no appliances if the comparables have appliances.
If the county does not issue a Cert of Occupancy, is a 10 yr warranty required by the builder?	yes
If appraisal expires and we do not order a recert of value before it expires what does HUD require?	Once the appraisal is expired (120 days). you would need to order a new case number and appraisal for the property
regarding feasibility of connecting to public water/sewer...the appraiser is to say if its available, but what about the costs? Are they to indicate the costs to connect, and then the underwriter determine if it's feasible?	If the cost is available to the appraiser he can provide this however, is a requirement for the lender.
will this webinar be available later?	Yes it will be available in archives. The link that you used to register for this Webinar will become the link to access the archived version. Thank you.
The appraiser will need to communicate with the RE Agent to get into the property; however, we know the appraiser is not to discuss the particulars, ie value, etc. Is this not correct?	that is correct
When would you use the 120 extension vs the 30 day extension? Can you give an example?	A 30 day extension would be used when the borrower has already been approved, but the loan will not close prior to expiration. The 120 day update would use when the borrower has not yet been approved, or when a 30 day extension would not provide enough time to close.
Where can I find in writing that floor coverings are not required?	This is not in writing, however, you can call the resource center with your question and an appraiser can respond to you via email
When discussing the 10 year warranty & who can pay, is there ever an instance where the borrower can buy the warranty?	No. The builder must pay for the 10-year warranty
If there is no value given to an outbuilding, does the sketch need to reflect the improvement?	The sketch must show all improvements.
did the expiration date on the conditional commitment used to be 180 days?	Yes, it did. The validity period changed with Mortgagee Letters 09-30 and 10-13.
What if the appraisers are not willing to supply or correct items requested?	The DE underwriter is ultimately responsible for the quality and validity of the appraisal. If an appraiser will not make a correction or amendment you deem necessary, you may use HUD form 94114 to revise the appraised value as appropriate.
Did you get my previous question about if a mother in law suite has to have approved zoning or if you have to make sure there was a permit pulled to build it? I did not hear the answer.	Please call the FHA Resource Center at 1-800-CALL-FHA to discuss.
How can we access the Q&A here later?	All the answered questions will appear on the archive.
Not a question--just a comment. Hats off to the tam. Very nice job! VO	Thank you!
is it correct that on new construction a elevation cert can be used rather than a LOMA or LOMR?	That is correct, you may provide a LOMA, LOMR, or an elevation cert.
Did I hear it stated in this presentation that the 1004MC is required with the 1004D if used for an appraisal update? ST	Yes, that is correct.
Contract section: date of contract is it the seller acceptance date?	Yes.
Are private road maintenance agreements required on all properties?? Both new construction AND existing?? Thank you!	If there is a private road, you need a private road maintenance agreement.
Please post Q&A, I can't wait to review. Thanks	The Q&A will be included in the archived presentation, which will be posted later today. A link to the archive is given in the pdf of the presentation found under Supporting Materials.
How long is an FHA case # valid (not the appraisal, but the actual case #)	Case numbers are generally valid for 6 months. Please see Mortgagee Letter 11-10 for recent changes to case validity & cancellation.
I can't figure out how to get copy of questions and answers. Can you help?	You need to access the archived version of this presentation and then go to "Answered Questions."
Private well and the lab testing show Nitrate exceeds the recommended Public Drinking Water Standard. A reverse osmosis has been installed to correct the issue, is this sufficient or do they need to have the water retested. The property is vacate.Thank you	Please contact the Resource Center at 1-800-CALL-FHA to discuss.
supporting material 05/02 is not found when trying to open. Is there another place for us to locate?	Our apologies. All of our mortgagee letters are available at www.hud.gov .
Log in appraisal: if two appraisals completed and 1st appraisal is with higher value and discrepancies, can we use the 2nd appraisal with supporting comps and a lower value same as the purchase price. also need 2nd appraisal due to flipping. Since the 2nd appraisal value is used, do we have to log in the 1st appraisal info under 2nd appraisal?	You need to log in both appraisals. The second appraisal is needed to support the value of the first appraisal. The value of the second appraisal will be used, if the value is lower.

Thank you for all of the webinars that FHA has been providing. Will there be a webinar for credit analysis updates coming soon for the Underwriters? A refresher is always good.	We do not have a Webinar scheduled for this topic at this time.
I tried to get on the site for the FAQs (http://www.hud.gov/offices/hsg/sfh/talk/parc/phiarch.cfm), and it required ID/PW. Can I get to the FAQa without ID/PW?	http://www.hud.gov/faqs/faqbuying.cfm
Could you pls list when we need the compliance insp instead of 1004D? co	The 92051 compliance is required when the repairs require architectural expertise (system or structural repairs), for manufactured home inspections, and for the final inspection on new construction.
what is the policy on if a stove is missing from the home	FHA does not require appliances, but the appraiser must explain what effect the lack of an appliance will have on the purchase price.
If a DE Underwriter extends the expiration date of the appraisal by 30 days, would the Conditional Commitment reflect the extended date, meaning revising the Conditional Commitment?	You should update the conditional commitment with a revised date and comment that you are issuing a 30 day extension.
Should appraiser`s make time adjustments for comps > then 6 months or > 90 days???	The appraiser should determine whether a time adjustment is necessary. You may ask that they comment explaining why a time adjustment was or was not applied.
When is a termite inspection required? Does property location in tip zone indicate requirement or just appraiser or DE?	Each HOC determines areas where termite inspections are required. You may access more information about each state by clicking on the state links here http://www.hud.gov/offices/hsg/sfh/ref/sfh1-23a.cfm .
If I have a SFR that was recently permitted and renovated into a 2 unit duplex and certificate of occupancy was issued 5/2010. One unit is currently occupied and current owner (who did the renovations) is selling the property, is this considered new construction?	Please call the FHA Resource Center at 1-800-CALL-FHA to discuss.