

FHA guidelines for appraisers are intended to provide uniformity and integrity in the method used to assess the condition and fair market value of residential property used to secure FHA insured mortgages. The appraisal is conducted for the benefit of the buyer, [mortgage lender](#) and HUD. Not only is it used for arriving at a fair market value for the property, but also, the maximum allowable mortgage loan.

Function

- The [FHA appraisal](#) is comprised of an evaluation of the interior and exterior of residential property ranging from a single family home up to a maximum of four residential units. The appraiser is trained to look for any visible and noticeable faults that could possibly impinge on the habitability of the subject dwelling, especially in the areas of safety and health. Although HUD insures FHA financing, they do not make any warranties regarding the value or condition of the properties.

Roofs and Attics

- FHA guidelines require roofs to have at least a remaining useful life of two years. If this requirement cannot be met, the appraisers are responsible for requiring the roof to be repaired or re-roofed. No more than three layers of roofing are permitted. If there are more than two layers of existing roofing, and repair work is required, 100 percent of the old roofing must be removed. If the property is four units or less, is part of an association and has its own roof, the roof must be inspected. In most cases attics are to be inspected for signs of leakage, structural deficiencies, holes or other problems.

Kitchens and Baths

- The FHA appraisal guidelines for appraisers regarding kitchens and bathrooms are very basic. Besides having an adequate and acceptable source of water and fixtures, the requirements include checking that the toilet functions properly and is free of leaks. The appraiser must also examine fixtures and check for structural damage and standing water, must inspect sewer or septic systems, look for leaking or badly corroded water lines and check for low water pressure.

Basements and Crawl Spaces

- FHA appraisers must evaluate basements for signs of water, dampness or structural problems. Under guidelines current as of 2009, sump pumps are allowed as long as they work properly. The pump's power supply may consist of a factory electrical cord connected to the proper electrical receptacle or hard wired according to acceptable wiring standards. Properties that have accessible crawl spaces must be inspected if there is enough space for at least the appraiser's head and shoulders to enter the area. The appraiser should look for evidence of wetness and standing water.

Electrical

- Electrical panels can consist of circuit breakers or fuses. The minimum amount of power required is 60-amps. This is only acceptable as long as it seems adequate for standard appliances. Knob and tube electrical wiring is permitted with 60-amp service. Homes operating primarily on electricity, especially with electric heat, should have 200-amps. Under FHA appraisal guidelines for appraisers, they must look for damage receptacles, missing cover plates and worn and exposed wires.

Heating

- All "habitable" rooms must have a source of heating. Although the heating equipment is not required to be located in the room, each room has to receive sufficient heat. If the primary heating unit cannot be extended into a room, a properly wired baseboard unit, powered by electricity and controlled by a thermostat, is accepted under the guidelines. Adequate heat is defined as a minimum of 50 degrees Fahrenheit in areas used for living and where plumbing systems are located. The occupants must be able to control the main heating by thermostat. Electric heat systems must have adequate electric service as require by local codes. Floor heaters, wall heaters, solar systems and wood stoves are allowed.

Other Guidelines

- Other FHA appraisal guidelines for appraisers pertain to requirements on items such as hot water heaters, pest control, flood control and zoning. There are also certain conditions regarding environmental hazard that FHA appraisers must know, including the following: asbestos, mole, radon, lead paint and excessive noise. Interior photos of the smoke detector and carbon monoxide detector are required by FHA. Underground [storage](#) tanks and overhead high voltage transmissions lines and towers are also areas of concern. If you have any questions, please contact Appraisal 365's customer service @ customercare@appraisal365.com or call (714) 230-5104.