

The FHA's Minimum Property Standards - Quick Reference

(May not reflect all requirements and subject to period changes)

Minimum Property Standards – What Are They?

According to the U.S. Department of Housing and Urban Development (HUD), the FHA requires that the properties financed with its loan product meet the following minimum standards:

- **Safety:** The home should protect the health and safety of the occupants.
- **Security:** The home should protect the security of the property (as explained in the previous section).
- **Soundness:** The property should not have physical deficiencies or conditions affecting its structural integrity.

The appraiser will observe the property's condition as part of the appraisal process and will report the results as part of the FHA appraisal report. Repairs are generally separated into two categories: FHA Minimum Property Repair (MPR) items and non-MPR cosmetic repairs.

The FHA does not require the repair of cosmetic or minor defects, deferred maintenance and normal wear if they do not affect **safety, security or soundness**. However, since the appraisal is not being made subject to the certain cosmetic or non-MPR repairs being made, they will likely be reflected in the Condition rating and Condition adjustment in the sales analysis.

Items Not Automatically Requiring Repair:

The FHA says that examples of cosmetic items or items that **do not automatically** require repair include, but are not limited to the following:

- Missing handrails (unless in the judgement of the appraiser the condition presents a safety hazard)
- Cracked or damaged exit doors that are otherwise operable
- Cracked window glass (where there is no perceived safety danger due to exposed sharp surfaces, etc.)
- Defective paint surfaces in homes constructed post-1978
- Minor plumbing leaks (such as leaky faucets)
- Defective floor finish or covering (worn through the finish, badly soiled carpeting)
- Evidence of previous (non-active) wood destroying insect /organism damage where there is no evidence of unrepaired structural damage
- Rotten or worn-out counter tops
- Damaged plaster, sheetrock or other wall and ceiling materials in homes constructed post-1978
- Poor workmanship
- Trip hazards (cracked or partially heaving sidewalks, poorly installed carpeting)
- Crawl space with debris and trash
- Lack of an all-weather driveway surface

Required Repair Items:

There are many areas where the FHA specifically requires problems to be remedied for the sale to close. Here are some of the most common issues homebuyers are likely to face.

Electrical and Heating

- The electrical box should not have any frayed or exposed wires.
- All habitable rooms must have a functioning heat source (except in a few select cities with mild winters).

Roofs and Attics

- The roofing must keep moisture out.
- The roofing must be expected to last for at least two more years.
- The appraiser must inspect the attic for evidence of possible roof problems.
- The roof cannot have more than three layers of roof coverings (shingles, rolled roofing, etc.)
- If the inspection reveals the need for roof repairs and the roof already has three or more layers of roofing, the FHA requires a new roof.

Water Heaters

The water installation heater must meet local building codes and must convey with the property. This will commonly include:

- Having an adequate discharge tube on the temperature and pressure relief (T&P) valve that extends to within 4" of the floor at point of discharge
- Electric water heaters have electrical service connections made properly
- Gas water heaters are properly vented

Hazards and Nuisances

Several conditions fall under this category. They include, but are not limited to, the following:

- Adequate surface water drainage from the dwelling
- Contaminated soil
- Proximity to a hazardous waste site
- Oil and gas wells located on the property
- Heavy traffic
- Airport noise and hazards
- Other sources of excessive noise
- Proximity to something that could explode, like a high-pressure petroleum line
- Proximity to high-voltage power lines
- Proximity to a radio or TV transmission tower

Property Access

The property must provide safe and adequate access for pedestrians and vehicles, and the street must have an all-weather surface so that emergency vehicles can access the property under any weather conditions.

Structural Soundness

Any defective structural conditions and any other conditions that could lead to future structural damage must be remedied before the property can be sold. These include defective construction, excessive dampness, leakage, decay, termite damage and continuing settlement and factors which may contribute to these conditions

Asbestos

If an area of the home contains asbestos that appears to be damaged or deteriorating, the FHA requires further inspection by an asbestos professional.

Bathrooms

The home must have a functioning toilet, sink and shower.

Appliances

Anecdotal evidence suggests that the FHA requires properties to have working kitchen appliances, particularly a working stove. However, FHA documents do not mention any requirements regarding appliances.