

# FHA's New Appraiser Handbook 4000.1

## Triple Play REALTOR Convention

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- A. HUD: Dept of Housing and Urban Development, FHA is the program  
Mission Statement  
HOC Home Ownership Centers: 1-800-CALL-FHA  
4000.1 online [www.hud.gov](http://www.hud.gov) search: 4000.1 handbook  
Searchable database of all information compiled into one location
- B. 4000.1 has 5 sections:
  - Chapter 1 Doing Business with FHA
  - Chapter 2 Origination through post-closing
  - Chapter 3 Servicing and Loss Mitigation
  - Chapter 4 Claims and Disposition
  - Chapter 5 Quality Control and Oversight
- C. Communication: Can real estate agents talk to appraisers?  
Appraiser independence issues  
Prohibitions: What actions are prohibited, if any?
- D. Chapter 2: Origination through post-closing – Property eligibility issues  
Minimum Property Requirements MPR: limited to items that affect the safety, soundness and security of the property

Ensure the safety of the occupants and the continued marketability of the property.

Safety, Soundness, Security – the Three “S”s

Appraisers must **observe, analyze and report** conditions

Conditions must be identified in appraisal, photographed and appraiser must estimate an approximate cost to cure

Attic and crawl space: Head and shoulder view at minimum

- E. Handbook provides guidance on what repairs are  
There is no comprehensive list of repairs  
Appraiser must exercise their judgment for Safety, Soundness, and Security

Neighborhood and locational issues

Site considerations – on site and off site

Grading and drainage

Swimming Pools

Appliances

Mechanical equipment and roof

Structural: Foundation

Painting: pre-1978 / post-1978

Cosmetic issues?

- F. Private water well and private sewage disposal  
Well distance: Minimum 10' from any property line  
Well and septic tank: Minimum 50' apart  
Well and septic leach field: Minimum 100' apart

- G. Gross living area (square footage)

**Through understanding and communication, we can all achieve:**

