



United States Department of Agriculture
Wisconsin Rural Development

WI AN No. 1615
Exhibit A
(Rev. 01-01-02)

INSPECTION REPORT FOR PURCHASE OF EXISTING HOMES

LENDER'S NAME/ADDRESS _____

BORROWER'S NAME (S) _____

SECURITY ADDRESS _____

YES _____ NO _____ The dwelling meets Rural Development's Thermal Standards:
(all items must be checked)

_____ Ceilings have been insulated to R-38 where accessible.

_____ All windows have storms or at least 2 layers of glass. Dwelling has storm doors or insulated doors on all entrances.

_____ The band joist (sill boxes) have been insulated to R-20.

_____ Heat ducts in unheated crawl spaces have been insulated (if applicable). All accessible crawl space area must have a vapor barrier covering the ground.

_____ Wall cavities will not be opened, therefore, additional wall insulation is not economically feasible.

YES _____ NO _____ Dwelling is structurally sound, functionally adequate and in good repair.

YES _____ NO _____ The dwelling has adequate electrical, plumbing, heating, domestic water, and wastewater disposal systems (See the reverse side for additional property suitability information.) and meets the requirements of the HUD Handbooks 4150.2 and 4905.1.

If no, what would be needed? (List and number the required repairs as shown on page 2)

Date: _____ Inspected by: _____

Date all repairs were completed: _____ Inspected by: _____

PROPERTY SUITABILITY GUIDELINES FOR WISCONSIN RURAL DEVELOPMENT GRH FINANCING OF EXISTING HOMES

The following is a brief summary of property suitability requirements for the GRH program based on HUD guidelines. This information is not all inclusive of the property suitability requirements described in HUD Handbook 4150.2 and 4905.1, but is intended to provide inspectors, appraisers, real estate brokers and applicants with typical property characteristics required by Rural Development.

1. Homes with space heaters, wall furnaces or gravity heat as their primary source of heat are not acceptable. These heating systems may be acceptable as supplemental sources of heat.
2. All bedrooms must have an adequate and permanent heat source. Bedrooms must also have closets or other suitable storage space.
3. An adequate electrical service is considered to be 100 ampere as a minimum. A 60 ampere service may be adequate for homes with less than 1000 square feet of living area provided a certification from an electrician is obtained indicating the 60 ampere service and wiring are adequate, and in compliance with current electrical codes. Homes with single wire and porcelain spool (knob and tube) type wiring must be rewired to be in compliance with current electrical codes. All ceiling lights must have wall switches and all rooms must have at least one outlet.
4. Existing wells and basement wells that do not comply with the current Wisconsin well code must be repaired or relocated outside of the dwelling as needed to meet the current Wisconsin well code. Shared wells will be accepted only if a HUD shared well agreement is used. Water tests for bacteria and nitrates must be in compliance with the EPA water quality standards. Lenders must also obtain safe water tests for any contaminants which are typically found in their locality. Septic systems must be functional, adequate and code complying with no evidence of failure.
5. For homes built prior to 1978, lenders must verify that the sellers have properly informed the applicants of potential lead based paint hazards. Lenders must comply with HUD standards for all lead based paint abatement measures. All interior or exterior surfaces that have exposed wood or peeling paint must be scraped and repainted.
6. Dwellings must be in good condition throughout and have a remaining life expectancy of 30 years or more. Any repairs or deficiencies identified in the thermal inspection report, appraisal, offer to purchase, and real estate condition report must be completed.
7. Basements must have a concrete floor. Crawl space walls and related duct work must be insulated where accessible. A vapor barrier must be installed over the ground in crawl space areas where accessible. The grade at the foundation should be sloped to provide positive drainage away from the house.
8. Secure handrails must be installed for all interior and exterior stairs with four or more steps. Functional smoke detectors must be installed on each level of the dwelling.
9. If any major component of the dwelling's structural or mechanical system has a remaining useful life of (5) years or less, serious consideration should be given to replacing that system prior to acquiring the property.
10. Dwellings must meet Rural Development Thermal Standards to the extent possible where accessible. All windows must be functional, free of cracks, and adequately sealed.
11. Underground storage tanks (residential use) must be registered with the State of Wisconsin Safety & buildings Division. Abandoned underground storage tanks must be removed from the site.
12. Dwellings purchased must be of a residential nature and not closely associated with farm service buildings or commercial property. The site must be typical for the area and not exceed 30% of the value of the property being purchased. The 30% limitation may be exceeded if the site cannot be subdivided into two or more sites based on local zoning requirements. Sites must not be income producing or contain more than two (2) other structures used for storage.