

FHA Single Family Housing Policy Handbook 4000.1, Part II — f. Utilities - Mechanical Components (02/16/2021)

Register hud-4000-1-ii-f-utilities-mechanical-components

FHA Single Family Housing Policy Handbook 4000.1, Part II — f. Utilities - Mechanical Components (02/16/2021).

1 verbatim provision(s). Each quote is a verified substring of the regulator-published source snapshot, not retyped.

FHA Single Family Housing Policy Handbook 4000.1, Part II — f. Utilities - Mechanical Components (02/16/2021)

f. Utilities – Mechanical Components (02/16/2021) The Appraiser must notify the Mortgagee if mechanical systems do not appear: • to have reasonable future utility, durability, and economy; • to be safe to operate; • to be protected from destructive elements; or • to have adequate capacity. The Appraiser must observe the physical condition of the plumbing, heating and electrical systems. The Appraiser must operate the applicable systems and observe their performance. If the systems appear to be damaged or do not appear to function properly, the Appraiser must condition the appraisal for repair or further inspection. If the Property is vacant, the Appraiser must note in the report whether the utilities were on or off at the time of the appraisal. If the utilities are off at the time of the inspection, the Appraiser must ask to have them turned on and complete all requirements under Mechanical Components. However, if it is not feasible to have the utilities turned on, then the appraisal must be completed without the utilities turned on or the mechanical systems functioning. If the utilities are not on at the time of observation and the systems could not be operated, the Appraiser must: 1. render the appraisal as subject to reobservation; 2. condition the appraisal upon further observation to determine if the systems are in proper working order once the utilities are restored; and 3. complete the appraisal under the extraordinary assumption that utilities and mechanical systems, and appliances are in working order. The Appraiser must note that the reobservation may result in additional repair requirements once all the utilities are on and fully functional. If systems could not be operated due to weather conditions, the Appraiser must clearly note this in the report. The Appraiser should not operate the systems if doing so may damage equipment or when outside temperatures will not allow the system to operate. Electrical, plumbing, or heating/cooling certifications may be required when the Appraiser cannot determine if one or all of these systems are working properly. II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT D. Appraiser and Property Requirements for Title II Forward and Reverse Mortgages 3. Acceptable Reporting Forms and Protocols (04/10/2025) Handbook 4000.1 831 Last Revised: 11/26/2025 i. Heating and Cooling Systems The Appraiser must examine the heating system to determine if it is adequate for healthful and comfortable living conditions, regardless of design, fuel or heat source. The Appraiser must notify the Mortgagee of the deficiency of MPR or MPS if the permanently installed heating system does not: • automatically heat the living areas of the house to a minimum of 50 degrees Fahrenheit in all GLAs, as well as in non-GLAs containing building or system components subject to failure or damage due to freezing; • provide healthful and comfortable heat or is not safe to operate; • rely upon a fuel source that is readily obtainable within the subject's geographic area; • have market acceptance within the subject's marketplace; and • operate without human intervention for extended periods of time. Central air conditioning is not required but, if installed, must be operational. If the air conditioning system is not operational, the Appraiser must indicate the level of deferred maintenance, analyze and report the effect on marketability, and include the cost to cure. ii.

Electrical System The Appraiser must notify the Mortgagee of the deficiency of MPR or MPS if the electrical system is not adequate to support the typical functions performed in the dwelling without disruption, including appliances adequate for the type and size of the dwelling. The Appraiser must examine the electrical system to ensure that there is no visible frayed wiring or exposed wires in the dwelling, including garage and basement areas, and report if the amperage and panel size appears inadequate for the Property. The Appraiser must operate a sample of switches, lighting fixtures, and receptacles inside the house and garage, and on the exterior walls, and report any deficiencies. The Appraiser is not required to insert any tool, probe or testing device inside the electrical panel or to dismantle any electrical device or control.

iii. Plumbing System The Appraiser must notify the Mortgagee of the deficiency of MPR or MPS if the plumbing system does not function to supply water pressure, flow and waste removal. The Appraiser must flush the toilets and operate a sample of faucets to observe water pressure and flow, to determine that the plumbing system is intact, that it does not emit foul odors, that faucets function appropriately, that both cold and hot water run, and that there are no readily observable evidence of leaks or structural damage under fixtures. The Appraiser must examine the water heater to ensure that it has a temperature and pressure-relief valve with piping to safely divert escaping steam or hot water.

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

D. Appraiser and Property Requirements for Title II Forward and Reverse Mortgages

3. Acceptable Reporting Forms and Protocols (04/10/2025)

Handbook 4000.1 832 Last Revised: 11/26/2025 If the Property has a septic system, the Appraiser must visually observe it for any signs of failure or surface evidence of malfunction. If there are readily observable deficiencies, the Appraiser must require repair or further inspection.

Source: *FHA Single Family Housing Policy Handbook 4000.1, Part II — f. Utilities - Mechanical Components (02/16/2021)* · snapshot
8c03836f77f317e1