

FHA GUIDELINES

Knowing these in advance can open your door to buyers that may not otherwise look. One of the commonly asked questions of other REALTORS: will it go FHA?

Most of the issues noted on the VC form (value condition form) will come up as ANY lender requirement, or as a point of concern during the home inspection if not addressed prior to those efforts.

Being aware of these, and either taking care of them or informing the buyer they will be responsible, can save lost marketing time, help prevent re-negotiation from a buyer funding latent defects during an inspection, and help support your value.

The home may be represented as prices with consideration for existing condition(s). This lets the buyer know you have placed what you believe is the correct price on the home, even with any such concerns. And, therefore, it would be priced higher with all issues resolved.

If all issues are resolved, then indeed it will get a higher opinion of value from the REALTOR, or appraiser, and is a strong advertising point; e.g., *“Meets or exceeds tough FHA requirements”*.

You WANT the buyer to have a home- inspection. This protects YOU as well as the buyer. Disclosing all you know isn't enough. To get the greatest protection meet the state property disclosure laws, but overlap that with a buyer home-inspection.

Why not have it inspected yourself and give the buyer the report?

One of the most important parts of a home-inspection is having the buyer present. This enables the buyer to see first hand any new discoveries and here the tutorial explanation a good home-inspector will offer along with any such discovery. This educates the buyer as to the severity, or lack thereof, of the concern, and is usually accompanied by a ball park estimate by the home-inspector of corrections needed, if any. In the written report it may just state “inferior” with an abbreviated explanation that leaves the buyer to his or her own frightful imagination. This more often than not results in a re-negotiation of the price or even loss of sale.

As you can see, it all ties together; being aware of these criteria leads to fewer concerns with the lender, less probability of a problem with the home-inspection and very probably a better price. It may seem a little overwhelming at first. Call me anytime to discuss any of these FHA Guidelines. R W Real Estate has appraisal background, Vocational level Building Trades Training, managerial experience with rehabilitation and upgrades and for years has vehemently familiarized itself with, and taken issue with the correct state of being of these various points that the FHA have now put clear requirements on.

Don't feel burdened or obligated. Find out what points have had the greatest impact in the market. Discuss the pros and cons of resolving these or leaving them for the buyer. R W Real Estate can offer references to contractors and even discuss less expensive options for correction of any such problem.

CLOSING CHECK LIST-AT LEAST ONE WEEK PRIOR TO CLOSING

- Call the power company-give other parties name; it should save you a hook-up fee.
- Call the phone company-give other parties name and#; it should save you a hook-up fee.
- Call the cable company-give other parties name; it should save you a hook-up fee.
- Call the gas company-they will fill and lock the tank pending your new application. They will send the seller a check for their pro-rated amount due.
- Call the insurance company for the cost of your policy. Bring the binder and paid receipt to closing. Also you will give the insurance company a “loss payee clause”. Get this from you loan officer ahead of time or have them contact the lender direct.
- Give the cost of policy to the Title Company.
- You will need your new address and phone # at the closing.
- Ask about final fuel pro-rations, usually done by the REALTOR.
- Ask about final water/sewer pro-rations, done one week or so prior to closing.
- Taxes are pro-rated by the Title Company and will show on your HUD statement at closing.
- Schedule a final walk through.
- Bring a picture I. D. (state I. D. or Drivers license.)
- Bring your checkbook.
- Plan on getting your final figures the day of closing.
- The Title Company takes ALL checks in and disperses back as needed (except fuel & personal items. Make your Bank check or Certified check out to the applicable Title Company, unless otherwise instructed.
- Get a Change of Address package from the post office.