

Home Inspections for Homebuyers



Why a Buyer needs a home inspection:

Home inspections **are not** appraisals. A home inspection gives the buyer more detailed information about the overall condition of the home prior to purchase. A property appraisal provides an estimate of a property's market value. Lenders require appraisals on properties before loan approval because they do not want to loan more than the property is worth. Appraisals benefit lenders; home inspections benefit buyers.

In a home inspection, a qualified inspector takes an in-depth, unbiased look at your new home to:

- Evaluate the physical condition: structure, construction, and mechanical systems;
- Identify items that need to be repaired or replaced; and
- Estimate the remaining useful life of the major systems, equipment, structure, and finishes.

The FHA does not guarantee the value or condition of your future home, and the FHA does not perform home inspections. If you find problems with your new home after closing, FHA cannot give or lend you money for repairs, nor can it buy the home back from you. FHA cannot help you in discussions you may have with the builder or seller.

When you make a written offer on a home, you should insist that the contract states that the offer is contingent (dependent) on a satisfactory (to the buyer) home inspection conducted by a qualified inspector. If you are satisfied with the results of the inspection, then you can proceed with your offer or make a counter offer if the results are not satisfactory.

As the buyer, it is your responsibility to carefully select a qualified inspector. The following sources may help you find a qualified home inspector:

- State regulatory authorities — some states require licensing of home inspectors.
- Professional organizations — may require home inspectors to pass tests and meet minimum qualifications before becoming a member.
- Phone book Yellow Pages — look under "Building Inspection Service" or "Home Inspection Service".
- The Internet — search for "Building Inspection Service" or "Home Inspection Service."
- Your real estate agent — most real estate professionals have a list of home inspectors they recommend.

The FHA requires lenders to obtain appraisals of properties backing FHA-insured loans for three reasons:

- To estimate the market value of the property;
- To make sure that the property meets FHA minimum property requirements/standards (health, safety, soundness and structural integrity); and
- To make sure that the property is marketable.

The appraisal will note readily visible problems with the property and non-compliance with HUD's minimum property requirements/standards. These problems may or may not be the same as those items noted in a home inspection report.

HEALTH TESTING TO CONSIDER:

- Radon gas testing — radon is a natural radioactive gas found in some homes. Strong concentrations (amounts) can cause serious health problems. The [U.S. Environmental Protection Agency](#) and the [Surgeon General of the United States](#) recommend that all houses should be tested for radon. For more information on radon testing, call the [National Radon Information Line](#) at 1-800-SOS-Radon or 1-800-767-7236.
- Lead testing — many homes built before 1978 have lead-based paint problems. To protect your family's health, you should be sure to get a lead-based paint inspection and/or risk assessment. For more information, contact the [National Lead Information Clearinghouse](#) at 1-800-424-LEAD or 1-800-424-5323.

The bottom line: As with a home inspection, you may decide to test for radon or lead before or after signing the contract as long as your contract states that your purchase depends on your satisfaction with the test results. Remember—spending hundreds of dollars on inspections now may save you thousands on costly fixes in the future!

From the HUD web site