

# HECM Subject Property Condition Report

Borrower(s): \_\_\_\_\_

Loan No: \_\_\_\_\_

Please check and describe all that apply (see Helpful information on page 2) :

1. Loan officer \_\_\_has \_\_\_has not pulled CAD on the property prior to taking application.

Supplemental notes: if CAD showed property in a trust, a trust removal certificate must be added to the application  
Advise borrowers that names on the counseling cert must match the vesting names on CAD

The structures on the property \_\_\_do \_\_\_do not match what is shown on the CAD report.

2. Loan officer \_\_\_has \_\_\_has not personally inspected the property. If not personally inspected, loan officer \_\_\_has \_\_\_has not questioned the borrower in detail to determine the answers to the questions below.

3. Loan officer \_\_\_has \_\_\_has not had the homeowner take pictures of property not personally inspected.

4. The property is located in a: \_\_\_suburban subdivision \_\_\_rural subdivision \_\_\_acreage property, and;

5. Residential structure: \_\_\_does \_\_\_does not conform to the other properties in the neighborhood / area.

6. Structure is in: \_\_\_Good, \_\_\_Average, \_\_\_Fair, \_\_\_Poor condition with the following noted:

7. Roof / Eaves and Fascia : \_\_\_Missing Shingles \_\_\_wood rot at eaves \_\_\_age of roof per borrower

8. \_\_\_peeling paint (outside) \_\_\_cracked drywall \_\_\_broken windows \_\_\_door opening/closing problems

\_\_\_Outside wall or foundation cracks \_\_\_Porch or deck cracks \_\_\_wooden deck rotted or broken boards

\_\_\_House has security/burglar bars \_\_\_inside locks functional \_\_\_Has no method of opening from inside

9. \_\_\_Swimming Pool \_\_\_functioning with clear water \_\_\_not functioning \_\_\_cracked or peeling pool walls

Condition of deck/patio/fence around pool \_\_\_\_\_

\_\_\_No deficiencies noted

10. Pictures are required of all deficiencies. Describe all deficiencies below:

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11. Garage is: \_\_\_Attached \_\_\_detached \_\_\_No garage. Garage Door is: \_\_\_functional \_\_\_Not Functional

12. List all unconventional construction / structures or additions: asbestos siding, T-111 siding, log home, converted garage, converted deck, detached living structure, Guest Quarters, Duplex, Commercial activity, gazebos, arbors, storage, etc.  
(If not sure if it is unconventional, it probably is) (Pictures are required of all unconventional / additional items)

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Describe condition of unconventional structures:

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13. For Rural properties:

Access is \_\_\_\_Public Road \_\_\_\_Easement. Entry road on property is \_\_\_\_paved \_\_\_\_gravel \_\_\_\_other (describe)

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Borrowers \_\_\_\_want \_\_\_\_do not want to survey out a smaller tract from their existing acreage.

Borrowers wanting to survey out a smaller residential tract \_\_\_\_have \_\_\_\_have not been provided a copy of the underwriting requirements for creating a legal subdivision, and \_\_\_\_have \_\_\_\_have not been fully briefed on the process.

*Use additional pages if needed to describe any other unique situations.*

I understand that unless differently specified in this report, processing and appraisal will be approached assuming the property is exactly as described in the CAD report.

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Loan Officer

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Date

**Helpful Information:**

1. Pulling CAD is required to make sure the property is essentially the same as described in the CAD report. If the property has been changed significantly, we need to discuss exactly what has changed. Room additions and closed in patios are not an issue unless they are not considered typical.
2. If the LO did not personally inspect the property in detail or it is a telephone and mail application, we need to know. It is extremely important to tell borrowers they must be factual about their descriptions to avoid problems after an appraisal is completed.
3. 98% of the people in this country have a cell phone that can take pictures and send text messages. If there is any question about condition based on the conversation with the borrower, they need to take pictures and send them to the LO.
4. The area the property is located in is important in determining if the structures on the property are typical for the setting.
5. The home should be essentially like the homes around it. Non-traditional construction will often lead to an appraiser not being able to find comps. If it's a log home, metal building, etc, the appraiser has to find 3 homes constructed the same way in the general area that have sold in the past year. It is possible to end up with no comps and not being able to establish a value.
6. Structure condition is a judgment call, but if there is any question, we need to see pictures and have details. FHA requires an appraiser assessment of at least average condition. An assessment of fair condition is uninsurable by FHA.
7. The appraiser will comment on the roof condition. Missing shingles, cracked or curled shingles at the eaves, or large amounts of shingle sand around downspouts are signs of roof problems. Interior ceiling water stains are an obvious clue.
8. peeling paint (outside) may have to be repaired prior to closing. Cracked drywall can indicate foundation issues. Broken windows must be repaired prior to closing. Doors that are hard to open and close may be foundation related. Door jambs that appear to leave a wider space from top to bottom can be foundation or simply settling. Checking the outside perimeter for cracks is required. Door locks must be functional, and security / burglar bars must allow easy opening from inside the house.
9. Swimming pools must be functional or filled in. Period. The deck around the pool must be in good condition and the walls of the pool must not show cracks or peeling. A pool must be fenced in with any gates lockable, and the fence must be in good condition.
10. Pictures are required of any deficiencies or unconventional structures or additions. If LO is unsure, take a picture.
- 11; Garage door condition and interior condition is important. If garage is cluttered, it might become an issue with an underwriter. Garages that have been converted to living space must have been done professionally and heated and cooled.
12. Anything that is unconventional or not typical for the area must be described and photographed. We can ask the AMC about any unconventional or non-typical items and the effect they may have on an appraisal. Remember, the structures on the property must generally conform to the surrounding area.
13. Rural properties can be challenging. Structures must conform to the area. Log homes and barndominiums are often impossible to find comps for and we would need to have the AMC determine if comps are indeed present before an appraisal is ordered. If the borrower has a large tract and intends to survey out a smaller tract to do the loan on, it has to be done as a legal subdivision. The survey must be taken to the appraisal district and a new APN number created, either for the remaining land after the survey, or for the property with the home. The tax account will not change until Jan 1 of the following year, but as long as the subdivision is done correctly and we have the subdivision documentation from the appraisal district, it will work. If you are unsure about the process, call us. If you need the underwriting guidelines for surveying out a tract and subdividing, we can provide a copy.