

Section 184 Appraisal Protocol

September 2, 2010

Fargo, North Dakota



Purpose of an appraisal

- Setting a price for buying or selling
- Setting collateral value for financing
- Determining cash value in a refinance
- Determining compensation for condemnation

Three approaches to value

- **Income approach-**

Analyzes the value based on its ability to produce rental income

- **Cost approach**

Analyzes the value based on actual building costs and deducting for wear and tear, design flaws or location problems. Land value added in

- **Sales comparison approach**

Compares subject property with similar properties which have recently sold. Adjustments for differences are made based on market reaction.

What's different about appraising in Indian Country?

- Lack of market
- Type of land ownership
- Remote
- We accept the cost approach



Section 184 Property Conditions



- No land to value restrictions
- No lot size restrictions (typical in the area)
What is typical?
- We accept the cost approach
- No value for leasehold interest on (trust)
- No value for improvement supplied by others, IHS, BIA or tribe

Appraisal Requirements for Section 184

- We do require a second appraisal on properties exceeding \$400,000 in value

We did not adopt ML 2009-48

- Appraisal validity period is now 120 days (4 months)
- Plus 30 day extension
- *Exceptions will be considered case by case on new construction where the detailed cost approach was used to establish value.*
- *Need approval from Section 184 (HUD) Underwriters*

Permissible Validity Period

ML-2010-13

- Without update: **150 days**

120 days *plus*

30 day extension

- With update: 240 days

120 days *plus*

120 days

What form is required?

- Fannie form 1004D or Freddie form 442
(see handout)
- Part A-allows extension of validity period for certain existing appraisals
- Part B reports completion of repairs or satisfaction of requirements.
- Not to be used in lieu of HUD-92051 Compliance Inspection Report for new construction

Appraisal Portability

- ML-2009-29
- Authorizes the portability of appraisal from one lender to other

Except when!

- 1-First appraisal contains material deficiencies
- 2-The appraiser is on receiving lenders excluded list
- 3-Failure of first lender to send appraisal timely

Condo Policy

ML-2009-46B

- New under construction requires minimum 50% owner occupancy
- No more than 30% FHA/HUD concentration
- No more than 10% owned by one single investor-not counting developer
- Existing condo's on our approved list already
- <https://entp.hud.gov/idapp/html/condlook.cfm>

90 day Flipping “Waiver”

- In effect from February 1, 2010 to February 1, 2011

Waiver of Requirements of 24CFR 203.37a(b)(2)

See

<http://www.hud.gov/offices/hsg/sfh/waivpropflip2010.pdf>

Waiver Continued

Remember-effective 2/1/2010-2/1/2011

- Seller does not need to hold title for 90 days prior to resale (NO IOI)
"identity of interest" as any relationship where the purchaser and seller are related, and/or affiliated through a business relationship.
- Lender must document sellers acquisition price
- Subject sales price exceeding seller's acquisition price by 20% or more requires lenders justification of increase in value.

When is second appraisal required?

Resale date of property is between 1 and 90 days and

Resale price is 20% percent or more over the price paid by seller:

- Increase must be supported by a second appraisal **or** adequate documentation of repairs/rehab/renovation

Resale date is between 91 and 180 days and resale price is 100% or more over the price paid by seller

Second appraisal required

Acceptable 1-4 Units

- Units do not have to be connected to be consider multi units and eligible for guarantee
- Can be detached from one another
- Property must be describe legally as one property
- Property must conform to local zoning
- Must be recognized as legal conforming unit

Observing the site

- OLG requires the appraiser to disclose and report any property conditions that endanger the physical improvements, affect livability, marketability or the health and safety of the occupants

Minimum Property Requirements (MPR)

- Safety
- Security
- Soundness (Structural Integrity)



Individual Water Supply & Sewage Systems

- Report and call for inspection of readily observable deficiencies of well or septic systems for HUD and state and local separation distances
- Report availability of connection to public or community water/sewer system.....if reasonably available we will require a connection to public system. Rule of thumb is 3% of overall value for cost to connect
- Appraiser must identify noncompliance if observed.

Well and Pollution Source Distances

<u>Source of pollution</u>	<u>Minimum horizontal distance (feet)</u>	
• Property Line		10 (EP*)
• Septic Tank		50
• Absorption (Drain) Field	(SUP1)	100 (EP*)
• Seepage Pit	(SUP1)	100
• Absorption Bed	(SUP1)	100
• Sewer Lines with Permanent Watertight Joints		10
• Other Sewer Line	50	
• Chemically Poisoned Soil	(SUP3)	25
• Dry Well	50	
• Other	(SUP2)	
<hr style="border-top: 1px dashed black;"/>		
– Asterisk = Existing Properties	SUP# =	Supplemental Requirements
– EP=See ML 2002-25		



Site Hazards & Nuisances That Must Be Reported

- Soil Contamination
 - Surface evidence of underground storage tank (UST)
(Clearance inspection or evidence of clearance mandatory)
 - Proximity to dumps, landfills, industrial sites or hazardous materials
 - Presence of pools of liquid, pits, ponds, lagoons, stressed vegetation, stained soils or pavement, drums or odors
- Excessive hazards from smoke fumes, offensive noises or odors

Is this a problem?





Propane Tank 30,000 Gallons

Corner

12th Pl NW, Ronan, Mt 59864

© 2010 Google
Image © 2010 DigitalGlobe

©2009 Google

Imagery Date: Feb 25, 2005

47°31'52.57" N 114°06'55.61" W elev 3060 ft

Eye alt 4217 ft



Property Condition Requirements

- Consider and describe overall quality and condition of property
- Identify items that require immediate repair (health & safety, structural soundness)
- Identify items where maintenance has been deferred, which may not require immediate repair
- Photo documentation of property condition is always advisable

Property Condition Requirements

Typical conditions that would require further inspection and/or repair by qualified individuals or entities that may require subsequent repairs:

- Infestation – evidence of termites
- Inoperative or inadequate plumbing, heating or electrical systems
- Structural failure in framing members
- Leaking or worn-out roofs
- Cracked masonry or foundation damage
- Drainage problems/standing water against foundation/Structural
- Hazardous material on the site
- Faulty, defective or inoperable mechanical systems

Plumbing

Water

- Drop or limitation of pressure
- No hot water

Toilet

- Toilets do not function
- Presence of leaks

Sinks/Bathtubs/showers

- Basin or pipes leak
- Water does not run

Advanced Plumbing



Plumbing Continued

Leaks

- Evidence of damage under fixtures
- Puddles present

Sewer System

- Observable evidence of malfunction



Repairs Required



Electrical Systems

- Do electrical switches function?
- Presence of sparks or smoke from outlet(s)
- Exposed, frayed or unconnected wiring



Dangerous Conditions



High Voltage Power lines

- Overhead high voltage transmission lines or towers
The appraiser must indicate whether the dwelling or related property improvements are located within the easement serving a high-voltage transmission line.
- If the dwelling or related property improvements are located within such an easement, the DE Underwriter must obtain a letter from the owner or operator of the tower indicating that the dwelling and its related property improvements are not located within the tower's (engineered) fall distance.



Roads

- Private road must have all weather surface (gravel is acceptable)
- Private streets protected by permanent recorded easements or owned and maintained by HOA
- Shared driveways must be protected by permanent recorded easements
- Maintenance agreement not required



Is this driveway ok?



Bad Well



Good Well







Remember

- The nature and degree of any noted deficiency will determine whether the deficiency will require repair or simply be addressed as deferred maintenance by the appraiser
- Appraiser must provide cost estimate for required repair
- The lender is responsible to clear the condition
- The lender decides whether to accept the property and repairs when applicable

Comparable sales

Comparable Selection

- Identify relevant market area.....rural can extend market area
- Distance depends on market and documentation from appraiser with justification.
- Age of comps should not exceed 6 months, over 12 months unacceptable with exceptions..appraiser must document why they exceed guidelines.
- Use of distressed sales may be used when they influence the market area
- Listings and pending sales may be used as supplemental data only



Appraisal Forms

- Form 1004 Uniform Residential Appraisal Report: Report for one unit properties
- Form 1004C Manufactured Home Appraisal Report
- Form 1073 Individual Condo Unit Appraisal Report
- Form 1025 Small Residential Income Property Appraisal Report (2-4 units),
- FNMA 1004D, Appraisal Update and/or Completion Report
- 1004MC Market Condition Form
- Form HUD-92051 Compliance Inspection Report Form
- Marshal and Swift Form 1007 Detailed Cost Breakdown



Sales Comparison

- (See 4150.2 Appendix D Page D-127)
- Total all of the adjustments and add them to or subtract them from the sales price of each comparable. Generally, adjustments should not exceed 10% for line items, 15% for net adjustments and 25% for gross adjustments. If any adjustments exceed stated guidelines an explanation must be provided including reasons for not using more similar comparable sales.

SALES COMPARISON ANALY

Heating/Cooling	Radiant/Space	Central H/A	-5,000	Central H/A	-5,000	Central H/A	-5,000
Energy Efficient Items	Standard	Standard		Standard		Standard	
Garage/Carport	None	None		G2D+	-7,500	G1A/Fair	-1,000
Porch/Patio/Deck	Cvd Porch	Cvd Porch		CvdPorch/CvdPatio	-1,000	Cvd Porch	
Other Amenities	Sheds	FinishedShop/Shed	-25,000	Sheds/StrmShltr	-1,000	Barn/Sheds	-1,000
Days On Market		1		24		131	
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -41,132	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -27,482	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -5,391
Adjusted Sale Price of Comparables		Net Adj: -29%		Net Adj: -22%		Net Adj: -6%	
		Gross Adj: 35%	\$ 98,868	Gross Adj: 22%	\$ 95,518	Gross Adj: 16%	\$ 91,109

I did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) **Cnty Records, Owner**

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) **County Records**

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer	None cited	None cited	None cited	None cited
Price of Prior Sale/Transfer	within the past year	within the past three years	within the past three years	within the past three years
Data Source(s)	County Records	County Records	County Records	County Records
Effective Date of Data Source(s)	11/2009	11/2009	11/2009	11/2009

Analysis of prior sale or transfer history of the subject property and comparable sales **None Cited.**

Summary of Sales Comparison Approach **Sales cited are from the subject neighborhood. Every effort was made to consider those comparable sales most similar, proximate, and recent. All value affecting dissimilarities were adjusted according to market reaction. The indicated range of value brackets the value of the subject. Due to the unique nature of the subject comparable sales were used which require adjustments exceeding secondary market standards. Adjustments made to the comparable sales are as follows: GLA was adjusted at \$24 per square foot, Site Size at \$2,500 per acre, Age at \$200 per year, Design and Quality at 5%, and other variances as indicated per market reaction. Sale #1 is a traditional house in the area, superior in quality, with a finished shop/living quarters, this sale brackets the square footage. Sales #2 is a similar metal house, superior in quality, with an oversized shop/office. Sale #4 is an older traditional house on a smaller site, and superior in quality.**

Indicated Value by Sales Comparison Approach \$ **94,000**







Quiz

- What's the difference between replacement cost and reproduction cost?

Off Site-Eligible Costs

- The lesser of actual pro-rated costs or up to 15% of the cost of the construction of the subject house may be added for off-site infrastructure associated with development of the subject lot.
- i.e. including public water, sewer, electricity, and telephone represent significant development costs



Cost Manuals

- Any nationally recognized cost manual is acceptable.
- Most widely used is Marshall & Swift
- Local cost data is acceptable if it is documented with local builders or estimators



SQUARE FOOT APPRAISAL FORM

For subscribers using the *Residential Cost Handbook/Residential Estimator 7*

Property Owner _____		Date _____	
Address _____		Survey by _____	
City _____		Cost as of _____	
State/Province _____	Zip/Postal Code _____	Appraisal for _____	
Type _____	Quality _____	Total Floor Area _____	
Style _____		Number of Units _____	
Exterior Walls _____		Interior Wall Height _____	
Age _____ Condition _____		Basement Depth _____	
		Region: <input type="checkbox"/> Western <input type="checkbox"/> Central <input type="checkbox"/> Eastern	

1. COMPUTE RESIDENCE BASIC COST	Factor	Quantity	Cost	Extended Cost
Square Foot and Lump Sum Adjustments				\$
2. Roofing				+ -
3. Energy: <input type="checkbox"/> Mild <input type="checkbox"/> Moderate <input type="checkbox"/> Extreme <input type="checkbox"/> Superinsulated				
4. Foundation: <input type="checkbox"/> Mild <input type="checkbox"/> Moderate <input type="checkbox"/> Extreme Hillside: <input type="checkbox"/> Flat <input type="checkbox"/> Moderate <input type="checkbox"/> Steep				
5. Seismic: <input type="checkbox"/> None <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 Wind: <input type="checkbox"/> No <input type="checkbox"/> Yes				
6. Subfloor				
7. Floor Insulation: <input type="checkbox"/> Mild <input type="checkbox"/> Moderate <input type="checkbox"/> Extreme				
8. Floor Cover				
9. Plaster Interior				
10. Heating/Cooling				
11. Plumbing Fixtures: Total Base				
12. Plumbing Rough-Ins: Total Base				
13. Dormers				
14. Fireplaces				
15. Built-in Appliances				
16. SUBTOTAL: ADJUSTED RESIDENCE COST: Total of Lines 1 to 15.				\$
17. Basement				
18. Porches, Decks, Breezeways, etc.				
19. Balconies				
20. Exterior Stairways				
21. SUBTOTAL: RESIDENCE COST: Total of Lines 16 to 20.				\$
22. Garages/Carports				
23. SUBTOTAL OF ALL BUILDING IMPROVEMENTS: Totals of Lines 21 and 22.				\$
24. Multipliers: Current Cost x Local x Other				=
25. Additional Components				
26. TOTAL BUILDING COST NEW: Line 23 x Line 24 + Line 25.				\$
27. Depreciation: Physical and Functional				
28. External and/or Excessive Functional Obsolescence				
29. Additional Depreciation				
30. TOTAL DEPRECIATED COST: Line 26 - Lines 27 to 29.				\$
31. Yard Improvements				
32. Miscellaneous				
33. Land/Site Value				
34. TOTAL INDICATED VALUE: Total of Lines 30 to 33.				\$

A LOW QUALITY A FAIR QUALITY A AVG. QUALITY

**Square Foot Costs
Average Quality**

Total Area	Plywood or Hardboard
900	\$52.58
1000	51.43
1200	49.49
1300	48.67
1400	47.92
1500	47.23
1600	46.59
1700	46.00
1800	45.45
1900	44.93
2000	44.45
2100	44.00
2200	43.57
2300	43.16
2400	42.78
2600	42.07
2800	41.41
3000	40.82
3200	40.27

STUD FRAM

Total Area	Rustic Log
900	\$57.51
1000	56.21
1200	54.02
1300	53.09
1400	52.24
1500	51.46
1600	50.75
1700	50.08
1800	49.46
1900	48.89
2000	48.34
2100	47.83
2200	47.35
2300	46.90
2400	46.46
2600	45.66
2800	44.93
3000	44.26
3200	43.65

ROOFING:
Composition shingle or Built-up, small rock ...
Clay tile

**Square Foot Costs
Average Quality**

SPLIT LEVEL

RESIDENCE

STUD FRAMED

Total Area	Plywood or Hardboard	Metal or Vinyl Siding	Stucco	Wood Siding	Wood Shingles	Synth. Plaster (EIFS)
900	\$52.58	\$52.82	\$52.78	\$52.90	\$53.01	\$54.41
1000	51.43	51.68	51.64	51.75	51.87	53.21
1200	49.49	49.76	49.73	49.83	49.94	51.20
1300	48.67	48.94	48.91	49.01	49.11	50.34
1400	47.92	48.20	48.16	48.26	48.36	49.56
1500	47.23	47.51	47.48	47.58	47.68	48.84
1600	46.59	46.88	46.85	46.95	47.04	48.18
1700	46.00	46.30	46.27	46.36	46.45	47.57
1800	45.45	45.75	45.72	45.81	45.90	46.99
1900	44.93	45.24	45.21	45.30	45.39	46.46
2000	44.45	44.76	44.73	44.82	44.91	45.96
2100	44.00	44.31	44.28	44.37	44.46	45.49
2200	43.57	43.89	43.86	43.94	44.03	45.04
2300	43.16	43.49	43.46	43.54	43.63	44.62
2400	42.78	43.10	43.08	43.16	43.24	44.22
2600	42.07	42.40	42.37	42.45	42.53	43.48
2800	41.41	41.75	41.72	41.80	41.88	42.80
3000	40.82	41.16	41.13	41.21	41.28	42.18
3200	40.27	40.61	40.59	40.66	40.73	41.61

STUD FRAMED

MASONRY

Total Area	Rustic Log	Masonry Veneer	Concrete Block	Stucco on Block	Common Brick	Poured Concrete (SIP) Forming
900	\$57.51	\$57.83	\$54.22	\$55.55	\$62.03	\$58.29
1000	56.21	56.51	52.99	54.27	60.55	57.06
1200	54.02	54.28	50.92	52.13	58.07	54.99
1300	53.09	53.34	50.04	51.22	57.01	54.10
1400	52.24	52.47	49.24	50.39	56.05	53.29
1500	51.46	51.68	48.50	49.63	55.17	52.55
1600	50.75	50.95	47.82	48.93	54.36	51.87
1700	50.08	50.28	47.19	48.28	53.60	51.24
1800	49.46	49.65	46.61	47.67	52.91	50.65
1900	48.89	49.06	46.06	47.11	52.25	50.09
2000	48.34	48.51	45.55	46.58	51.64	49.58
2100	47.83	47.99	45.07	46.08	51.07	49.09
2200	47.35	47.50	44.61	45.61	50.52	48.63
2300	46.90	47.04	44.18	45.16	50.01	48.19
2400	46.46	46.60	43.77	44.74	49.52	47.78
2600	45.66	45.79	43.01	43.96	48.62	47.01
2800	44.93	45.05	42.32	43.24	47.80	46.31
3000	44.26	44.37	41.69	42.59	47.05	45.66
3200	43.65	43.74	41.11	41.99	46.36	45.07

SQUARE FOOT ADJUSTMENTS

ROOFING:
Composition shingle or Built-up, small rock ...
Clay tile

ENERGY ADJ: Mod. Climate (base)
Mild climate - \$.84
Extreme climate + 1.24
Superinsulated

REFINEMENTS

**Square Foot Costs
Average Quality**

SQUARE FOOT ADJUSTMENTS

SUBFLOOR:

Wood subfloor	(base)
Concrete slab	- \$1.86
Asphalt (for garage or carport)	- 1.37

FLOOR INSULATION:

Mild climate	+ \$.62
Moderate climate	+ .78
Extreme climate	+ 1.00

PLASTER INTERIOR: + \$2.29

FLOOR COVER:

Allowance (if not itemized)	+ \$2.33
Carpet and pad	+ 2.03
Ceramic tile	+ 8.01
Wood flooring	+ 7.29
Parquet blocks	+ 7.63
Terrazzo	+ 7.79
Vinyl comp. sheet or tile	+ 1.47
Vinyl sheet	+ 2.68

HEATING/COOLING:

Forced air	(base)
Oil-fired	+ \$.51
Floor or wall furnace	- 1.19
Electric, radiant	- .28
Baseboard or panel	- .19
Hot water, baseboard	+ 1.33
Warm and cooled air	+ 1.37
Heat pump	+ 1.79
Evap. cooling w/ducts	+ 1.68
Air-to-air exchange system	+ 1.06

LUMP SUM ADJUSTMENTS

PLUMBING: 8 fixtures + rough-in (base)

Per fixture	+ or - \$770
Per rough-in	+ or - 285

BUILT-IN APPLIANCES:

Allowance (if not itemized)	+ \$2,100
Dishwasher	+ 525
Exhaust Fan or Bath Heater	+ 125
Garbage Disposer	+ 190
Wood and Fan	+ 205
Oven	+ 690
Oven, microwave combo	+ 1,350
Range and Oven	+ 1,075
Range top	+ 375
Radio Intercom	+ 730
Refrigerator or Freezer	+ 675
Res. security sys., wireless	+ 1,025
Trash compactor	+ 470
Vacuum cleaner system	+ 1,400

DORMERS: per linear foot

Hip or gable roof	\$97.50
Shed roof	82.50

FIREPLACES:

Single one story	\$1,975 - \$2,425
Single two story	2,450 - 3,000
Single three story	2,925 - 3,575
Double one story	2,625 - 3,550
Double two story	3,225 - 3,950
Double three story	5,100 - 6,250

BASEMENTS

Unfin. basements	200	400	800	1200	1600	2000	2400
Concrete walls 6"	\$20.50	\$15.56	\$12.48	\$11.04	\$10.31	\$10.01	\$ 9.59
8"	22.00	16.61	13.25	11.66	10.85	10.52	10.03
12"	24.50	18.38	14.53	12.68	11.75	11.38	10.78
Conc. block walls 6"	18.66	14.26	11.54	10.29	9.64	9.38	9.04
8"	19.93	15.15	12.19	10.81	10.10	9.82	9.42
12"	22.26	16.80	13.38	11.76	10.94	10.61	10.11
Add for fin., minimal	4.86	4.35	4.05	3.91	3.84	3.81	3.76
partitioned	20.48	17.92	15.79	15.30	15.05	14.48	14.33

Outside Entrance: \$775 - \$1,075 For radon removal fan and alarm, add \$245.

PORCH/BREEZEWAYS

Square Feet (Each)	FLOOR STRUCTURE:			WALL ENCLOSURE:		
	Open Slab	Open W/Steps	Wood Deck	Screen Only	Knee Wall W/Glass	Solid Walls
	Add For Roof	Add For Ceiling				Add For Ceiling

**Foot Costs
Average Quality**

+ \$.62
+ .78
+ 1.00

(base)
+ \$.51
- 1.19
- .28
- .19
+ 1.33
+ 1.37
+ 1.79
+ 1.68
+ 1.06

+ \$2,100
+ 525
+ 125
+ 190
+ 205
+ 690
+ 1,350
+ 1,075
+ 375
+ 730
+ 675
+ 1,025
+ 470
+ 1,400

2400
\$ 9.59
10.03
10.78
9.04
9.42
10.11
3.76
14.33

add \$245.

A GOOD QUALITY

A GOOD QUALITY















Reporting: Form 1004

➤ 184 Appraisal conditions

- “As-is”
- “Subject to following repairs...”
- “Subject to completion per plans and specs...”
- “Subject to required inspections...”



Quizzz

What was the date HUD adopted the
Manufactured Home Construction and Safety
Standards?

Or

What is the oldest Manufactured Home we
will accept for a loan guarantee?

Manufactured versus Modular Housing.....



Is there a difference?

Confusion Reigns.....

.....The Differences.....

.....Similarities.....

Modular

Manufactured

Local Bldg Codes
ND Approval
Wood Floor

* MHCSS
HUD Approval
Steel Undercarriage

*Manufactured Home Construction and Safety Standards

Modular

Manufactured

Built off-site
Multi-Sections

Built off- site
Multi-Sections

MANUFACTURED HOME INSIGNIA LANGUAGE

AN EVIDENCE OF THIS LABEL NO.

THE MANUFACTURER CERTIFIES TO THE BEST OF THE MANUFACTURER'S KNOWLEDGE AND BELIEF THAT THIS MANUFACTURED HOME HAS BEEN INSPECTED IN ACCORDANCE WITH THE REQUIREMENTS OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND IS CONSTRUCTED IN CONFORMANCE WITH THE FEDERAL MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS IN EFFECT ON THE DATE OF MANUFACTURE. SEE DATA PLATE.

www.hud.gov Montana Field Office (406) 449-5050

MODULAR INSIGNIA LANGUAGE

Industrialized Buildings Commission

This label certifies that this building (or building component) has been manufactured in accordance with an approved building system and compliance assurance program under the auspices and approval of the Industrialized Buildings Commission. See data plate.

Manufactured Homes

General Eligibility Criteria



- Minimum of 570 sq. ft. GLA
- Built after June 15, 1976
- Classified and taxed as real estate (detitled)
- Unit must not have been moved from another site
- ML-2009-16..one difference, we required minimum 570 sq ft
Mortgagee Letter permits 400 sq feet.

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The HUD Data Plate/Compliance Certificate is located on the interior of the subject and contains, among other things, the manufacturer's name, trade/model name, year manufactured and serial number. The HUD Certification Label is located on the exterior of each section of the home.

Is the HUD Data Plate/Compliance Certificate attached to the dwelling? Yes No If Yes, identify the location. If No, provide the data source(s) for the HUD Data Plate/Compliance Certificate information.

Is a HUD Certification Label attached to the exterior of each section of the dwelling? Yes No If No, provide the data source(s) for the HUD Certification Label #'s

Manufacturer's Serial #(s)/VIN #(s)

HUD Certification Label #(s)

Manufacturer's Name

Trade/Model

Date of Manufacture

Do the Wind, Roof Load, and Thermal Zones meet the minimum HUD requirements for the location of the subject property? Yes No If No, explain

Appraisal Essentials

Page 1 of the Manufactured Home Appraisal Report

In the HUD Data Plate Section

The following is required to be in the report

- Must have Manufacturers serial number documented
- HUD Certification Label (s) documented
- Name of Manufacturer documented
- Trade Model documented
- Date of Manufacture documented

Manufacturer Address
Schult Home Corporation
 P.O. Box 399
 Redwood Falls, MN 56283

Plant Number 22

Model of Manufacture HMO Label No. (a)
8-22-96 926471
 Manufacturer's Serial Number and Model Unit Designation
R276452 8016-703 Royal
 Design Approval by (D.A.P.I.A.)
T.R. Arnold

This manufactured home is designed to comply with the federal manufactured home construction and safety standards in force at time of manufacture.
 (For additional information, consult owner's manual.)

The factory installed equipment includes:

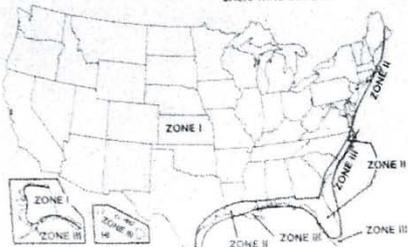
Equipment	Manufacturer	Model Designation
For heating	<u>FURNON</u>	<u>DGATD75</u>
For air cooling		
For cooking	<u>GE</u>	<u>JBS16V</u>
Refrigerator	<u>GE</u>	<u>TBX185AK</u>
Water Heater	<u>RHEEM</u>	<u>ZI I 40PY</u>
Washer		
Clothes Dryer		
Dishwasher		
Garbage Disposal		
Fireplace		

HOME CONSTRUCTED FOR Zone I Zone II Zone III

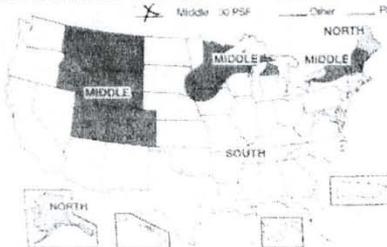
This home has not been designed for the higher wind pressure and anchoring provisions required for construction areas and should not be located within 1500' of the coastline in Wind Zones II and III, unless the home and its anchoring and foundation system have been designed for the increased requirements specified for Exposure D in ASHRAE 150-74b.

This home has not been designed with storm shutters or other protective coverings for windows and exterior door openings. For homes designed to be located in Wind Zones II and III, which have not been provided with shutters or equivalent covering devices, it is strongly recommended that the home be made ready to be equipped with these devices in accordance with the method recommended in manufacturers' printed instructions.

BASIC WIND ZONE MAP



DESIGN ROOF LOAD ZONE MAP



COMFORT HEATING

This manufactured home has been thermally insulated to conform with the requirements of the federal manufactured home construction and safety standards for all locations within U.S. value zone 3 (see map at bottom). Heating equipment manufacturer and model (see list at left). The above heating equipment data are required to maintain an average 70° F temperature in the home at outdoor temperatures of 64° F. To maximize furnace operating efficiency and to conserve energy, it is recommended that this home be installed where the outdoor winter design temperature (97.12%) is not higher than -24 degrees Fahrenheit. The above information has been calculated assuming a maximum wind velocity of 64 mph at standard atmospheric pressure.

COMFORT COOLING

Air conditioner provided at factory (Alternate I)

Air conditioner manufacturer and model (see list at left).

Certified capacity _____ B.T.U./hr. is accordance with the appropriate air conditioning and refrigeration industry standards. The central air conditioning system provided in this home has been sized assuming an orientation of the front (pitch end) of the home facing _____. On this basis the system is designed to maintain an indoor temperature of 75° F when outdoor temperatures are _____° F dry bulb and _____° F wet bulb.

The temperature to which this home can be cooled will change depending upon the amount of exposure of the windows of this home to the sun's radiant heat. Therefore, the home's heat gains will vary depending upon its orientation to the sun and any permanent shading provided. Information concerning the calculation of cooling loads at various locations, window exposures and shadings are provided in Chapter 22 of the 1989 edition of the ASHRAE Handbook of Fundamentals.

Information necessary to calculate cooling loads at various locations and orientations is provided in the special comfort cooling information provided with this home.

Air conditioner not provided at factory (Alternate II)

The air distribution system of this home is suitable for the installation of central air conditioning.

The supply air distribution system installed in this home is sized for a manufactured home central air conditioning system of up to 35467 B.T.U./hr. rated capacity which are certified in accordance with the appropriate air conditioning and refrigeration industry standards, when the air circulation of such air conditioners are rated at 0.5 inch water column static pressure or greater for the cooling air delivered to the manufactured home supply air duct system.

Information necessary to calculate cooling loads at various locations and orientations is provided in the special comfort cooling information provided with this manufactured home.

Air conditioning not recommended (Alternate III)

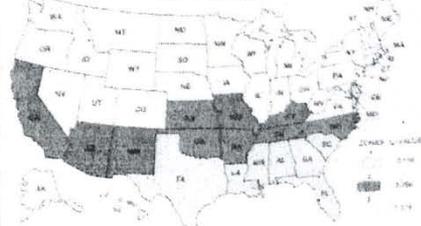
The air distribution system of this home has not been designed in anticipation of its use with a central air conditioning system.

To determine the required capacity of equipment to cool a home efficiently and economically a cooling load (heat gain) calculation is required. The cooling load is dependent on the orientation, location and the structure of the home. Central air conditioning operates most effectively and provides the greatest comfort when their capacity closely approximates the calculated cooling load. Each home's air conditioner should be sized in accordance with Chapter 22 of the American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) Handbook of Fundamentals 1989 edition. Once the location and orientation are known.

INFORMATION PROVIDED BY THE MANUFACTURER NECESSARY TO CALCULATE SENSIBLE HEAT GAIN

Walls (without windows and doors) _____ 0644
 Ceilings and roofs of light color _____ 0440
 Ceilings and roofs of dark color _____ 0480
 Floors _____
 Air ducts in floor _____
 Air ducts in ceiling _____
 Air ducts installed outside the home _____
 The following are the duct areas in this home 101 sq. ft.
 Air ducts in floor _____ sq. ft.
 Air ducts in ceiling _____ sq. ft.
 Air ducts installed outside the home _____ sq. ft.

U.O. VALUE ZONE MAP



block piers on fiberglass pads.



Needs no caption.



Manufactured Homes: Eligibility



Manufactured Housing Foundation Standards

- On the reservation, the Office of Loan Guarantee will accept whatever standard or code the tribe has adopted.
- Off the reservation the foundation must have a permanent foundation and the unit must be attached to the ground with mechanical fasteners.
- Engineers certification required for foundation and attachment of unit to the ground

Manufactured Housing Foundation Guide Continue

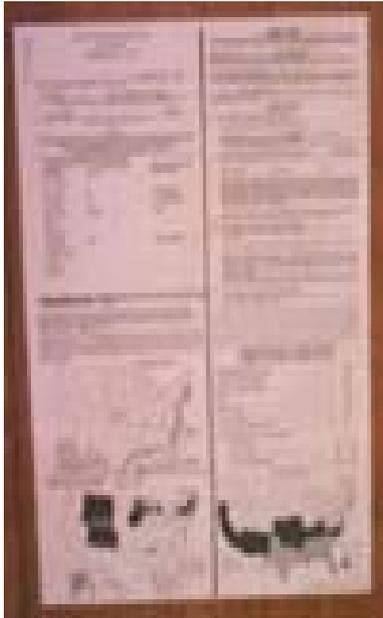
- Certification to state that unit substantially complies with HUD Handbook Permanent Foundation Guide for Manufactured Housing, or evidence that it was installed in accordance with state adopted standards.

OR

- Statement from engineer that foundation is of sufficient size and strength to support unit and unit is attached in a manner that it will withstand normal shear and wind loading
- 25 states have Manufactured Housing Installation standards that meet or exceed HUD standards

Missing HUD Certification Label

- HUD does not reissue labels
- Letters of label verification
 - http://www.ibts.org/label_req.htm
 - 3-5 business days, cost \$75



Data Plate



HUD Label



Resources

➤ Handbooks

➤ 4150.2 (6/99) Valuation Analysis

➤ 4150.2 Appendix D

➤ 4150.1 REV 1(3/90) Valuation Analysis

➤ 4145.1 REV 2 (12/91) Architectural Processing & Inspections

➤ 4905.1 REV 1 (3/91) Requirements for existing 1-4 family units

➤ 4910.1 (7/94) Appendix K, MPS

Proposed construction-1-4 family

Mortgagee Letters

- ML 2009-30 Appraisal Validity Period
- ML 2009-09 Adoption of Market Condition Form
- ML 2009-16 Manufactured Housing Guidance
- ML 2008-09 Second Appraisal Requirements
- **OLG Did Not adopt ML-09-48 Eliminating a second appraisal in high balance loans in declining markets**
- ML 2008-25 Converting Existing Home To Rental
- ML 2006-33 New Construction Exhibits
- ML 2005-48 Repair and Inspection Requirements

Mortgagee Letters Continued

- ML 2006-14 Property Flipping
- ML 2005-34 Appraisal Report Forms
- ML 2005-02 Seller Concessions
- ML 2002-25 Private Well & Septic Distances



Contact Information

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