



Rural Development

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GET YOUR HOME INSPECTED
KNOW WHAT YOU ARE BUYING!

WHY DO I NEED A HOME INSPECTION?

- AVOID UNEXPECTED REPAIRS AND REPAIR BILLS
- NEGOTIATE DEFICIENCIES DURING THE PURCHASE
- DISCLOSE HEALTH AND SAFETY HAZARDS
- MAKE SURE ALL HOME SYSTEMS ARE OPERATIONAL
- DISCLOSE ENERGY INEFFICIENCIES

WHO CAN INSPECT A HOME?

Inspectors must be a member of one of the following Professional Associations:

- American Society of Home Inspectors (ASHI)
<http://www.ashi.org>
- National Association of Certified Home Inspectors (NACHI)
<http://www.nachi.org/IA>

(Please note - there are different levels of membership, experience, and/or certification within these Associations, and it is the applicant's responsibility to complete their own due diligence regarding qualifications of individual inspectors.)

After the home inspection has been completed, please send a copy to your Loan Specialist for their review

HOMEBUYERS:

Having a home inspection protects you as the buyer. An inspection is the best way to protect you from unexpected home repairs after you buy your home. Home inspectors should go through all the major systems in your home like electrical, roof, plumbing, heating and cooling, windows, etc. to make sure all major components are in working order and operational. You should be active in this process and make sure you are fully informed of any deficiencies noted in the inspection report for the home you are buying.

Applicants are responsible for the cost of the inspection. The inspection cost may be included in the loan or paid by the seller of the property, and should be clearly identified in the body of your purchase agreement. If another party pays for the inspection, you as the buyer should obtain authorization to access the report for your financing purposes. Required repairs identified in the inspection report should be negotiated between the buyer and the seller and specified in your purchase agreement. Your realtor can assist you in locating an inspector, or you can visit the websites noted above.

Section 502 Single Family Housing Direct Loan Program

USDA Rural Development (RD) provides Section 502 Single Family Housing Direct Loans to very low- and low-income- customers in rural areas for the purchase of decent, safe and sanitary housing. Customers may purchase existing or new construction dwellings. Existing dwellings must be considered modest for the area with a maximum square footage of 2,000 sq. ft., structurally sound and functionally adequate, and must be in good repair or can be placed in good repair with loan funds. In addition, the property must not be designed for income producing activities nor have an in-ground swimming pool. New construction dwellings must meet construction standards established by the Agency. All dwellings must be inspected to ensure that Agency standards are met prior to final disbursement of loan funds.

INSPECTION REQUIREMENTS

1. Existing Dwelling Inspection

- A. A state-licensed inspector must perform a whole house inspection and certify that the dwelling meets the Agency's standards with respect to: (1) termites and other pests (this may be separate from the whole house inspection); (2) plumbing, water and sewage; (3) heating and cooling; (4) electrical systems; and (5) structural soundness.
- B. The inspection report must be a comprehensive document that meets the minimum standards of the professional home inspector associations. Color photos of the interior and exterior must be attached to the inspection report.

2. New Construction Inspection (New dwelling and additions to existing dwelling)

Phase inspections are required as follows:

- A. Footings – The initial inspection made just prior to or during the placement of concrete footings or monolithic footings and floor slabs.
- B. Framed-in – The inspection will be made when the building is enclosed, structural members are still exposed, roughing in for heating, plumbing, and electrical work is in place and visible, and wall insulation and vapor barriers are installed.
- C. Final Inspection – Once all repair work is complete.

The inspector must be qualified to perform a construction inspection. A qualified third party includes, a local building official, an inspector certified by a nationally recognized home inspection entity, or a State-licensed inspector who inspects property according to the International Code Council (ICC).

3. Repair / Rehabilitation Inspection – existing dwelling inspection of completed repair work if using USDA loan funds. Our staff will work with you on the specific requirements as it relates to repairs.