

*This educational guide has been prepared by the  
Virginia Housing Development Authority (VHDA) and,  
with great appreciation, those recognized below.*

*U.S. Department of  
Housing and Urban Development*

*Virginia Fair Housing Office  
Richmond, Virginia*

*Virginia Cooperative Extension Service  
Petersburg, Virginia*



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VHDA is a self-supporting, not-for-profit organization created by the Commonwealth of Virginia in 1972, to help Virginians attain quality, affordable housing. VHDA provides mortgages, primarily for first-time homebuyers and developers of quality rental housing. We use no state taxpayer dollars, but raise money in the capital markets to fund our loans. We also teach free homeownership classes, and help people with disabilities and the elderly make their homes more livable. VHDA works with lenders, developers, local governments, community service organizations and others to help put quality housing within the reach of every Virginian.

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# The Home Inspection

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**W**hile a home inspection is not a requirement for most mortgage loans, it is an important pre-purchase investment every potential homebuyer should make. A home inspection is an affordable way to:

- Avoid expensive repairs.
- Become familiar with a home's major systems.
- Improve your negotiation options (get an adjustment in price, or have the seller pay for repairs).

Spending a few hundred dollars now may save you thousands in unforeseen repairs after you've bought the home and moved in. If significant repairs are needed, the inspection report may enable you to withdraw your offer. If there are no problems, the inspection will give you additional peace of mind in your decision to buy the home.

## Why is Having a Home Inspection So Important?

Recently, the laws have changed concerning what the seller must tell you about their home's condition. Although the seller is required to disclose any known defects that affect the value of the house, usually the seller will say the price of the home takes into consideration any problems listed on the ***seller disclosure***.

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*Even with a seller disclosure, you should still have a professional inspection done.*

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Many future repairs and potential problems are not clearly visible to the untrained eye. Home inspectors are experienced professionals who know how to look for telltale signs of trouble, and can help the potential buyer avoid expensive problems.

During a home inspection, a qualified inspector takes an in-depth and impartial look at the property you plan to buy. The inspector will:

- Evaluate the physical condition: structure, construction and mechanical systems.
- Identify anything that should be repaired or replaced.
- Estimate the remaining useful life of the major systems (such as electrical, plumbing and heating).

Sometimes, people buying a newly constructed home may feel that hiring a home inspector is unnecessary, because someone has "inspected" the property to ensure it meets city or county building codes before occupancy is permitted. But even if the home you're buying is brand-new, you are strongly encouraged to enlist the services of a professional home inspector. That way, another trained professional evaluates the entire property, and any findings that need corrective action can be addressed with the builder when you do your final walk-through.

## Sooner is Better Than Later

When you make a purchase offer that's contingent on a home inspection, you usually have a certain time period in which to schedule the inspection. You should try to schedule it as soon as possible after making an offer, so you'll have time to review the inspector's report and make any changes to the offer that might be necessary based on the inspector's report.

In addition, consider scheduling the inspection during the day. Even if that is less convenient for you than an evening inspection, you'll benefit by the inspector being able to take a better look at the outside of the home when there is daylight.

## Who is the Home Inspector?

A home inspector is a professional who is trained to visually examine the condition of residential properties to determine if discoverable major mechanical deficiencies exist. The fee for this service is typically paid at the time of inspection and is based on square footage, number of stories in the house, age of the house or other factors.



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*You may have to pay additional fees if you want further tests done, such as water and/or radon tests and termite certification. These tests must be performed by another professional.*

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*You'll find a helpful handout from HUD, "For Your Protection: Get a Home Inspection," at the end of this chapter.*

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## How to Choose a Home Inspector

When choosing a home inspector, you'll want to carefully consider their qualifications. Currently, Virginia does not require licensure, but instead offers a voluntary certification. Inspectors who identify themselves as a "Certified Home Inspector" must complete the state certification program through the Department of Professional and Occupational Regulation (DPOR).

You might also want to look for an inspector who is a member of a national organization. Members of these organizations must perform their inspections to a certain standard, follow a code of ethics, meet experience requirements and, in some cases, pass an examination and provide evidence of annual continued education.

To learn more about these organizations or to locate a home inspection professional in your area who belongs to one of these organizations, visit:

- American Society of Home Inspectors (ASHI) [www.ashi.com](http://www.ashi.com)
- National Association of Home Inspectors (NAHI) [www.nahi.org](http://www.nahi.org)
- International Association of Certified Home Inspectors (InterNACHI) [www.nachi.org](http://www.nachi.org)

## HUD: 10 Important Questions to Ask Your Home Inspector

- 1. What does your inspection cover?** The inspector should ensure that their inspection and inspection report will meet all applicable requirements in Virginia and will comply with a well-recognized standard of practice and code of ethics. You should be able to request and see a copy of these requirements ahead of time and ask any questions you may have. If there are any areas you want to make sure are inspected, be sure to identify them up front.
- 2. How long have you been practicing in the home inspection profession and how many inspections have you completed?** The inspector should be able to provide their history in the profession and perhaps even a few names as references. Newer inspectors can be very qualified, and many work with a partner or have access to more experienced inspectors to assist them in the inspection.

- 3. Are you specifically experienced in residential inspection?** Related experience in construction or engineering is helpful, but is no substitute for training and experience in the unique discipline of home inspection.

**NOTE:** No home inspector may be called a “certified home inspector” without meeting specific Commonwealth of Virginia requirements.

- 4. Do you offer to do repairs or improvements based on the inspection?**

Some inspector associations and state regulations allow the inspector to perform repair work on problems uncovered in the inspection. Other associations and regulations strictly forbid this as a conflict of interest.

- 5. How long will the inspection take?** The average on-site inspection time for a typical single family house by a single inspector is two to three hours; anything significantly less may not be enough time to perform a thorough and in-depth inspection. Additional inspectors may be brought in for very large properties.

- 6. How much will it cost?** Costs can vary dramatically, depending on the region, size and age of the house, scope of services and other factors. A typical range might be \$300 - \$500, but consider the value of the inspection in terms of the investment you’ll be making in a home. Cost does not necessarily reflect quality. HUD does not regulate home inspection fees.

- 7. What type of inspection report do you provide and how long will it take to receive the report?** Ask to see sample reports and decide whether or not you can understand the inspector’s reporting style, and if the inspector’s time parameters meet your needs. Most inspectors provide their full report within 24 hours of the inspection.

- 8. Will I be able to attend the inspection?** This is a valuable educational opportunity, and an inspector’s refusal to allow you to be there for the inspection should raise a red flag. Never pass up this opportunity to see your prospective home through the eyes of an expert.

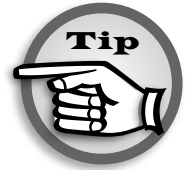
- 9. Do you maintain membership in a professional home inspector association?** There are many state and national associations for home inspectors. Request to see their membership ID and perform any due diligence you feel is appropriate.

**10. Do you participate in continuing education programs to keep your expertise up to date?** No one can ever know it all, and the inspector's commitment to continuing education is a good indication of their professionalism and service to the consumer. Additional or updated training is especially important in cases where the home is much older or includes unique elements.

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*You can search a home inspector database (such as <http://www.inspectordatabase.com>) to find home inspectors, compare inspectors, review credentials, contact inspectors and schedule inspections in Virginia.*

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## The Inspection Report

The home inspector should provide you with a report of the findings after the inspection has been completed. The inspection and report should cover:

- Foundation
- Roof
- Plumbing and electrical systems
- Heating and air conditioning systems
- Doors and windows
- Insulation
- Ventilation

The report also points out problems and/or symptoms of potential problems that need attention, repair or further inspection. Some home inspectors will provide their findings in a written report for you to keep, and others may even include pictures or a video.

Problems the inspector may identify could include moisture damage to supporting structures within the house or crawlspace, termite and other pest damage, improperly wired electrical systems, leaky plumbing, insufficient insulation and roof damage.

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*It's important to remember that the home inspector doesn't check the cosmetic features of the home, such as the carpeting, nor do they warrant the home against any problems.*

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## Why You Should Attend the Inspection

More than likely, your buyer's agent will be present for the home inspection, as will the seller's agent.

As the potential homebuyer, you should also be on hand for the home inspection, to take advantage of the educational opportunity. If you are present for the inspection you'll be in a better position to understand the report. Many times, the inspector will encourage buyers to walk around with them to see the different systems, learn about their location and how they work, as well as point out needed repairs and current or potential damage.

The inspector should inspect the roof, crawlspace, turn on all the faucets, check out the insulation, open and close all the windows, and more.

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*A thorough home inspection will take some time. Plan on spending at least two hours for a home inspection.*

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## How Long is the Inspection Report Good?

When you hire a home inspector, the inspection they'll provide is good (warranted) only for the day the house is inspected. Because evidence of potential problems isn't always detectable, even to a trained expert, it would be difficult to fault the home inspector for a problem that becomes apparent years or even just a few months after the inspection has been conducted.

If a home inspector finds what seems to be a major mechanical deficiency, they may recommend you consult a specialist. For example, if the water pressure seems to indicate a problem, the inspector may recommend you have a plumber take a closer look at the home's water system.

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*During the inspection, the inspector should not tell you what the home is worth, give you advice on whether to buy the home, offer to make repairs to the home or refer you to someone to make the repairs.*

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## Appraisal vs. Inspection — What's the Difference?

Some potential buyers choose not to have a home inspection because they've already paid for an **appraisal**. While both an appraisal and a home inspection are vital, they are completely different and neither can be a substitute for the other.

An appraisal is the written analysis of a home's estimated value. An appraiser examines a house to determine its value by comparing it to other houses in close vicinity that have similar structures, enhancements, square footage, etc. The appraiser also confirms that the property meets HUD's minimum property standards; this does not include a detailed inspection. Though paid by the potential buyer, the appraiser is hired by, works for and reports to the lender.

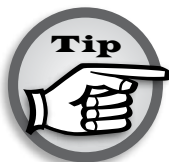
A home inspection is an evaluation of a home's condition by a trained professional. A home inspector examines a house in terms of its structure, systems and safety, with no consideration of its estimated value. A home inspector is hired by, works for, reports to and is paid by the homebuyer.

## Can the Home Inspection Affect Negotiations?

Yes. Home inspection services provide practical information that can be used to make decisions on the price or even whether to purchase a specific home. If repairs are needed, you may ask the seller to:

- Fix the problem.
- Provide money for you to have repairs made after the purchase.
- Reduce the asking price of the home to cover the cost.

The seller can respond with rejection, acceptance or a counteroffer.




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*If you make a purchase offer, be sure to include a contingency regarding the home inspection, stating in the offer that the inspection must meet your satisfaction.*

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If the inspector's report indicates that the seller or seller's agent has clearly misrepresented the condition of the home, you should consider withdrawing your offer to buy.



## Home Inspection Quiz

### True or False Questions (Answers found on page 113.)

1. An appraiser places a value on property, whereas a home inspector examines the house in terms of structures and systems.  
 True    False
2. As the potential homebuyer, you should plan to be present during the inspection.  
 True    False
3. If you're buying new construction, you don't need a home inspection since no one has owned the home previously.  
 True    False
4. The home inspection is good only for the day the property is inspected.  
 True    False
5. A home inspection is not typically a loan requirement.  
 True    False
6. The home inspector's fees are normally paid at the time of service.  
 True    False
7. The state of Virginia requires home inspectors to be licensed.  
 True    False

### Multiple Choice Questions (Answers found on page 113.)

8. An example of a problem that a home inspector may find during the inspection of the property is:  
 Moisture damage    Termite/pest damage  
 Leaky plumbing    All of these

9. During the home inspection, the inspector examines the:

- Foundation  Roof
- Plumbing and electrical systems  All of these

10. The home inspection warranty is good for:

- 12 months  18 months  24 months  None of these

11. The home inspector represents the interests of the:

- Loan originator  Real estate agent  Buyer  Seller

## Answers to the Home Inspection Quiz

### True or False

- 1. True
- 2. True
- 3. False
- 4. True
- 5. True
- 6. True
- 7. False

### Multiple Choice

- 8. All of these
- 9. All of these
- 10. None of these
- 11. Buyer





## Forms Discussed in this Chapter

- For Your Protection: Get a Home Inspection



# CAUTION

U.S. Department of Housing  
and Urban Development  
Federal Housing Administration (FHA)



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## For Your Protection: Get a Home Inspection

### Why a Buyer Needs a Home Inspection

A home inspection gives the buyer more detailed information about the overall condition of the home prior to purchase. In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential 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.

### Appraisals are Different from Home Inspections

An appraisal is different from a home inspection. Appraisals are for lenders; home inspections are for buyers. An appraisal is required to:

- ✓ Estimate the market value of a house;
- ✓ Make sure that the house meets FHA minimum property standards/requirements; and
- ✓ Make sure that the property is marketable.

### FHA Does Not Guarantee the Value or Condition of your Potential New Home

If you find problems with your new home after closing, FHA can not give or lend you money for repairs, and FHA can not buy the home back from you. That is why it is so important for you, the buyer, to get an independent home inspection. Ask a qualified home inspector to inspect your potential new home and give you the information you need to make a wise decision.

### Radon Gas Testing

The United States Environmental Protection Agency and the Surgeon General of the United States have recommended that all houses should be tested for radon. For more information on radon testing, call the toll-free National Radon Information Line at 1-800-SOS-Radon or 1-800-767-7236. As with a home inspection, if you decide to test for radon, you may do so before signing your contract, or you may do so after signing the contract as long as your contract states the sale of the home depends on your satisfaction with the results of the radon test.

### Be an Informed Buyer

It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new home with a qualified home inspector. You may arrange to do so before signing your contract, or may do so after signing the contract as long as your contract states that the sale of the home depends on the inspection.



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