



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

January 22, 2004

MORTGAGEE LETTER 2004-04

TO: ALL APPROVED MORTGAGEES

SUBJECT: Revised Form HUD-92564-CN, "For Your Protection: Get a Home Inspection"

This Mortgagee Letter informs Mortgagees that the Federal Housing Administration (FHA) has revised Form HUD-92564-CN "For Your Protection: Get a Home Inspection." Mortgagees may use the new form immediately. Mortgagees will be required to use the new form for all cases submitted for case number assignment 30 days after the date of this Mortgagee Letter.

The Department of Housing and Urban Development through FHA continues to be responsive to public safety concerns by informing Mortgagees and borrowers of the Environmental Protection Agency and the Surgeon General's recommendation for radon testing. The revised form incorporates radon testing as one of the components of a home inspection. HUD is not mandating a radon test for FHA insurance eligibility, however, use of "For Your Protection: Get a Home Inspection" remains mandatory. In addition, the form is revised to clarify the importance of and differences between an appraisal and a home inspection.

Form HUD-92564-CN "For Your Protection: Get a Home Inspection" must be signed on or before the date the sales contract is executed (the sales contract must be re-executed if necessary) for all transactions that will involve FHA mortgage insurance on existing property. A copy of the Form signed and dated by the homebuyer(s) must be included in the case binder submitted to FHA with the lender's request for insurance endorsement. A copy of this revised form is attached to this Mortgagee Letter.

Information Collection Requirements

The information collection requirements referred to in this Mortgagee Letter have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35). The OMB number issued for this requirement is OMB 2502-0538.

If you have any questions concerning this Mortgagee Letter, please contact your local Homeownership Centers in Atlanta (888) 696-4687, Denver (800) 543-9378, Philadelphia (800) 440-8647, or Santa Ana (888) 827-5605 (these are all toll free numbers).

Sincerely,

John C. Weicher
Assistant secretary for Housing-
Federal Housing Commissioner

Attachment

For Your Protection: Get a Home Inspection

Name of Buyer (s) _____

Property Address _____

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
- 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 for three reasons:

- to estimate the market value of a house
- to make sure that the house meets FHA minimum property standards/requirements
- to make sure that the house 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.

I/we understand the importance of getting an independent home inspection. I/we have considered this before signing a contract with the seller for a home. Furthermore, I/we have carefully read this notice and fully understand that FHA will not perform a home inspection nor guarantee the price or condition of the property.

_____ **I/We choose to have a home inspection performed.**

_____ **I/We choose not to have a home inspection performed.**

X

Signature & Date

X

Signature & Date