

HOME INSPECTION POLICY

- A home inspection/systems check is available to any purchaser on insured and uninsured sales. The intent of the inspection is to identify major defects only. A professional licensed inspector must perform the inspection.
- The purchaser has 15 days from the date of HUD's acceptance of a sales contract to have the inspection completed. Failure to comply with this time frame may forfeit purchaser's right to an inspection with the utilities on.
- Up to \$200 of the cost may be financed when FHA loan is used; or included as a closing cost on line #5 of the Sales Contract.
- The agent must submit a "Home Inspection Request" with a copy of the accepted contract to the appropriate Southwest Alliance Office. This request can be sent by fax. **Addison Office (fax to # 972-419-6905) Austin office (fax to # 512-231-2650)**
- The utilities* must be activated by the purchaser or agent, in the purchaser's name. The utilities may not remain on for more than two days.
- Purchaser is responsible for all expenses resulting from the inspection, including repair of damage to the property.
- The agent must be present during the inspection.
- The agent is responsible for ensuring that the property is returned to the same condition as before the inspection.
- The purchaser may not make any repair to the property prior to closing.
- If the inspection discloses a major defect** **not previously disclosed**, the following will apply:
 - A. **Owner Occupants Sales:** The purchaser may either close "as is" or be released from the contract with earnest money refunded, provided HUD concurs with the inspection report, receives the written request (**Contract Cancellation Form**) within 15 days of contract acceptance and HUD elects not to make the repairs. A copy of the inspection report must be attached to the request for sales contract cancellation (**Contract Cancellation Form**).
 - B. **Investor Sales:** The Inspection will not be a basis for cancelling the sale.

* If utilities cannot be turned on due to code violations, known defects, or utility company policy, the Home Inspection Request will be denied.

** Major Defects are structural, roof, defective system components within the mechanical and operating systems (which include the electrical, plumbing, sewage, heating and air conditioning systems only) , or non-compliance with the local codes, zoning or building requirements.

