

# Did You Know?



## DYK – Volume 6 – May 25, 2018 Best Practice: Pest, Septic and Well Inspection Requirements

<b>DID YOU KNOW?</b>		Towne Family of Companies uses the following best practice standards to determine when a pest, septic or well inspection is required.	
<b>At or prior to closing, Allowable costs paid by borrower also require an Invoice &amp; Proof of Payment.</b>	<b>CONVENTIONAL</b>	<b>Purchase</b>	<b>Refinance</b>
	<b>Pest inspection</b>	Only if called for in the appraisal or required by contract due to state law or customary in area. Must have a copy of Inspection/Results. Any Items noted must be resolved.	
	<b>Well/Water Test</b>		
	<b>Septic</b>		
	<b>FHA</b>	<b>Purchase</b>	<b>Refinance</b>
	<b>Pest Inspection</b>	Only if called for in the appraisal or required by contract due to state law or customary in the area. Must have a copy of inspection. Any Items noted must be resolved.	
	<b>Well/Water Test</b>	Handbook 4000.1 requires the inspection and testing of a private well only in cases where the Appraiser cannot determine that a Property meets HUD's Minimum Property Requirements (MPR) or Minimum Property Standards (MPS) for private wells, or where other documentation in the file may indicate that the private well does not meet HUD's MPR or MPS for private wells.	
	<b>Septic</b>	Only if called for in the appraisal or required by contract. Must have a copy of Results Septic must pass inspection.	
	<b>VA</b>	<b>Purchase</b>	<b>Refinance</b>
	<b>Pest Inspection</b>	Yes, required for all properties located in TIP zones (Termite Infestation Probability Zones) that are rated as Very Heavy and/or Moderate to Heavy. VA publishes a map that defines the different areas of the country in terms of TIP Zones. A reference chart detailing the requirements for each state is also provided.	Same <b>Not required for IRRRL</b>
	<b>Well/Water Test</b>	Yes, if Well. Water test required. Must have a copy of results. Water must pass inspection.	Yes, if Well. Water test required. Must have a copy of results. Water must pass inspection. <b>Not required for IRRRL</b>
	<b>Septic</b>	Only if called for in the appraisal/Notice of Value or required by contract. Must have a copy of Results. Septic must pass inspection.	Only if called for in the appraisal /Notice of Value. Must have a copy of Results. Septic must pass inspection. <b>Not required for IRRRL</b>
<b>USDA</b>	<b>Purchase</b>	<b>Refinance</b>	
<b>Pest Inspection</b>	Only if called for in the appraisal or required by contract due to state law or customary in area. Must have a copy of Inspection/Results Any Items noted must be resolved.		
<b>Well/Water Test</b>	Yes, Water test required. Must have a copy of results. Water must pass inspection.		
<b>Septic</b>	Yes. Statement from the appraiser who certifies it meets HUD Handbook requirements, or a copy of the inspection/results. Septic must pass inspection.		