

Tax ID Max-Trio Inspection Review Guidance

The home inspection is a critical part of the purchase process. Be In Mortgage recommends using a qualified third-party inspector not related to the seller or real estate professionals. BPG inspection services is Be In Mortgage's preferred provider and understands our requirements. Please consult the attached property underwriting guidelines for our minimum requirements.

Buyers should be aware that many sellers may not know the actual condition of the home they are selling and thus may not adequately disclose deficiencies. Once the home purchase is closed, the Buyer is taking on the existing condition of their financed home. Although Be In Mortgage's financing programs require home warranties and include hazard insurance, the Buyer should be aware that many deficiencies and future repairs may not be covered.

It is Be In Mortgage's recommendation that the Buyer (at a minimum) address all deficient items flagged by the inspector that are health and safety issues as well as any items that could indicate water or electrical damage of any kind or that the plumbing, furnace / air conditioning systems could be at risk of failure. Pay particular attention to deficiencies noted for roof, foundation, siding, windows and site drainage as water damage is rarely covered by insurance.

All Buyer-inspector noted structural deficiencies should be reviewed by qualified professionals prior to accepting the home for financing.

Should the Buyer proceed without verifying completion of the repairs, the Buyer is accepting the deficiencies as part its ongoing obligations. By conducting any review, Be In Mortgage is not taking on responsibility for items not noted, rather Be In Mortgage is simply reviewing the inspection for its own diligence. Buyers should be engaged directly with their real estate professionals and home inspector on responses. Should the Buyer wish for Be In Mortgage to review anything in particular, please email closing@beinmortgage.com.

The following guidelines are intended to assist the Buyer address significant items of their inspection report that should likely be reviewed and repaired prior to closing. Be In Mortgage recommends the Buyer use their judgement as well as the judgement of their real estate professional, engaged home inspector and other experts in making a final decision on whether to proceed with their home financing with the Seller's agreed upon remedies. The guidelines presented below are merely for generating the discussion between the Buyer and its local professionals and are not intended to be exhaustive.

Inspection Guideline

Inspection Terminology

A material defect is a specific issue with a system or component of a residential property that may have a significant, adverse impact on the value of the property, or that poses an unreasonable risk to people.

A major defect is a condition of a system or component that renders it non-working, non-performing, non-functioning or unsafe, and requires a professional contractor to further evaluate and repair, correct or replace.

A minor defect is a condition of a system or component that renders it non-working, non-performing, or non-functioning, and may be repaired, corrected or replaced by a professional contractor or the homeowner.

A cosmetic defect is a superficial flaw or blemish in the appearance of a system or component that does not interfere with its safety or functionality.

Any repairs completed by Seller should be cleared by a reinspection or photos and paid invoice.

Any agreed upon post-closing repairs must be accepted by Buyer with signed LOE for the same.

Be In Mortgage recommends that all Material Defects & Most Major Defects should be repaired prior to closing.

If any items in list below are identified on the third-party home inspection, Be In Mortgage recommends they be repaired prior to closing as they can cause home warranty and hazard insurance coverage issues post-closing, leaving the Buyer open to liability and expensive repairs.

Exterior

- Proper grading and downspout drainage directed away from structure.
- No evidence of standing water
- No leaks from septic tank or leech field (if applicable)
- Exterior structures (fences, sheds, decks, retaining walls, detached garages) in good condition, no evidence of termite damage or rotted wood.
- Railings on stairs and decks are adequate and secure.
- Driveways, sidewalks, patios, entrance landings in good condition, and pitched away from structure.
- Adequate clearance between ground and wood siding materials (6" minimum); no wood-to-earth contact



Structure

- Ridge and fascia board lines appear straight and level
- Sides of house appear straight, not bowed or sagging
- Window and doorframes appear square (especially bowed windows)
- Visible foundation in good condition – appears straight, plumb, with no significant cracks
- Siding: no cracking, curling, loose, rot or decay
- Masonry veneers: no cracks in joints, no broken, spalling or flaking components
- Stucco: no large cracks (discuss all stucco cracks with a professional inspector)

Roof

- Composition shingles: no curling, no cupping, no loss of granulation particulate, no broken, damaged or missing shingles, no more than two layers of composite roofing
- Wood shingles or shakes: no mold, rot or decay, no cracked/broken/missing shingles, no curling.
- Flat roofs: no obvious patches, no cracks or splits, minimal blisters/"alligatoring" and wrinkles, no silt deposits (indicates improper drainage), sealed tar at flashings.
- Flashing around roof penetrations in good condition and attached properly.
- No evidence of excess roofing cement/tar/caulk
- Soffits and fascia: no decay, no stains
- Exterior venting for eave areas: vents are clean and not painted over.
- Gutters: no decay or rust, joints sealed, attached securely to structure, no bending or sagging, no sections of gutter or downspout missing, gutters clean, no mud deposits.
- Chimneys: straight, properly flashed, no evidence of damaged bricks or cracked joints, mortar/cement cap in good condition
- Roof certification is recommended providing a warranty from a local vendor should the roof be in question and the Buyer elect to continue with their financing.

Attic

- No stains on underside of roofing, especially around roof penetrations
- No evidence of decay or damage to structure
- Sufficient insulation and properly installed insulation (moisture barrier installed closest to the heated area of the house)
- Adequate ventilation, clear path into attic for air entering through soffit vents, adequately sized gable end louvers, all mechanical ventilation operational.
- No plumbing, exhaust or appliance vents terminating in attic.
- No open electrical splices

Miscellaneous

- Smoke and carbon monoxide detectors where required by local ordinances and in working condition.
- Stairway treads and risers where needed and in good condition.
- Stair handrails where needed and in good condition.

Electrical

- Visible wiring: in good condition, no "knob-and-tube" wiring, no exposed splices, cables secured and protected.
- Service panel: adequate capacity, all cables attached to panel with cable connectors; fuses or breakers are not overheating.
- All GFCI in bathrooms and kitchens are working and adequately grounded; no open grounds.



- No aluminum cable for branch circuits

Mechanical

- Inspect and test air conditioning unit, verify capacity to support sq ft of home.
- Ensure filters for furnace are new or replaced.
- If roof mounted air conditioner, ensure pan is free from rust and leaks.
- Ensure dryer vent is clean and or replaced prior to closing.
- Furnace has adequate output to heat the home, consider HVAC service contract for maintenance.

NOTE: The above is by no means intended to be an exhaustive or complete list. Each home is unique and requires local experts to advise the Buyer for recommended actions.