

## New FHA Guidelines, Effective Immediately

Wolverine Vendors:

2/11/2016

As some of you are aware, FHA has come out with new regs that are effective as of 2/1/2016. Please see the attached regulations. Wolverine has made adjustments to the way it is processing and accepting work order results. Please review the following, as these adjustments are effective immediately. Also note that the pricing list has changed and adjust your records and invoices to the new amounts.

Reporting on initial secures must be complete. **Every detriment and condition of the property must be photographed, documented, and reported to Wolverine.** If there are any items missed or unreported at the time of the initial secure, **you could be responsible for all costs to repair or replace the items.**

In addition, on every initial secure an emergency posting must be placed in a front window, facing and visible from the street, completely filled out. A photo must be provided showing that the form is filled out accurately, and one showing it visible from the street to verify that this has been completed and posted. Each work order includes a copy of the emergency notice. If the original is faded, or has been removed, you must post a new one.

A pressure test must be completed on every initial secure regardless if it is winterization season or not. Photos must be taken showing the test being completed as well as a clear photo of the gauge showing the results. You must also document if the system held pressure or not. A pressure test is required at the time of the winterization and when a refresh is completed as well.

Appliances must be accurately photographed and reported on every order. Photos of the appliances must be taken to show that they are present, and close enough to be able to tell the condition, both inside and out if applicable. If an appliance is missing, and there is a spot that the appliance should be, it must also be photographed and documented. This includes kitchen appliances as well as mechanical systems, electrical fixtures and plumbing fixtures. **Failure to document the appliances accurately may result in additional fines as well as replacing the missing appliance at your expense.**

You must use absorbent moisture desiccants, per the allowable cost, in basements to help control moisture and prevent mold growth. It is up to your judgement and the condition of the property to know when a dehumidifier needs to be installed. If you cannot do it for the allowable a bid must be submitted as soon as it is determined the dehumidifier is required. **Failure to do so could result in you being responsible for the remediation of any resulting mold.**

If there is mold present at the property and it can be cleaned up and covered for the allowable, please do so. Be advised, if the mold returns, HUD may determine that it was not properly addressed the first time and may not pay the original fee. Also, if the mold cannot be cleaned for the allowable a bid must be submitted as soon as the mold is discovered. **Failure to do so could result in you being responsible for the remediation.**

If the mold poses a health and safety hazard, a lab mold test will be required. You are being asked to judge what appears to be mold thoroughly before a test is done. HUD will only reimburse if the test is positive. We intend to work closely with MBA, NAMFS, and HUD to determine if this is a fair practice. I am sure they are trying to avoid being charged for test that is clearly not needed. If you think there is dangerous mold present but you are not certain, and you do not want to take the chance that you could be wrong, provide a bid for the test with an explanation of why you think the test is necessary. **Failure to do so could result in you being responsible for the remediation.**

All water lines, gas lines, sewer lines, and exposed wires must be capped within the allowable. If all lines cannot be completed for the allowable you must provide a bid to cap all lines at the time of the initial secure. In addition, chimneys and dryer vents must be capped within the allowable as well, to prevent animals from gaining entrance to the property. **Failure to do so could result in additional damages to the property that will be your responsibility to correct.**

When securing windows at the property you must secure using existing hardware. If existing hardware is insufficient or needs replacement, you may install window locks for the allowable up to the maximum allowed.

In the event that the window is broken, you must remove all broken glass from the frame, the interior and exterior. Then you have to board the window. You are to either bolt board or screw the board into the frame to secure. Do not screw or nail any windows or doors shut as this causes damage to the property. Boards must be the exact window size and not over-sized. The boards must cover the entire window and not just the broken section. **HUD will only pay the amount of boarding that is necessary to secure the window and any damages caused by improper boarding will be fixed at your expense.**

Fences that are present at the time of the initial secure must be maintained in secure and upright condition, with no missing panels or sections. If the fence can be repaired for the allowable, then do so, otherwise a bid must be provided to repair and/or replace the entire affected section at the time of the initial secure or as soon as the damage occurs.

You must make sure all stair treads, hand rails and railings are installed and secure on interior and exterior stair ways. The guide lines state: we must repair damaged or missing handrails or stair treads on elevated exterior porches, patios, decks, and balconies where the distance from the finished floor to the ground surface is greater than 18 inches. These repairs are to be completed at the time of the initial order. If you cannot do the repair for the allowable a bid must be submitted on the initial order. **Failure to address this issue may cause the house to be re-conveyed and the repairs completed at your expense.**

You must trim the shrubs and trees as the schedule in the guidelines dictates. You must make sure that there are no branches, limbs or foliage touching the house or outbuildings. The trees and shrubs must be trimmed so they do not block public walk ways, thoroughfares, streets, easements, or viewing the house from the street. If it cannot be done for the allowable you must provide a bid on the initial order.

It seems that some of the new rules and requirements are looking to make the servicers and their field partners responsible for items they have been missing. Make sure when you are completing work that you complete everything at the property. If we have to send you back out to complete something that should have been taken care of on the initial order, HUD may not pay for the work completed stating that this is mortgagee neglect. As stated, if these are missed on the initial secure we may have to correct these issues at our expense.

Wolverine is continuing to get clarification on some aspects of the new regs. As we receive those clarifications we will inform you of any changes in procedures that may occur. Some of the items referenced in this memo may also be adjusted as we receive new information. Please do not hesitate to contact Nicki or Mark if you have any questions, comments, or suggestions. This and all memos are available in OASIS.

You must sign, date and return to [marks@fieldinspection.com](mailto:marks@fieldinspection.com) before any payments are released.

X \_\_\_\_\_

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_