

Form RD 3560-11
(Rev. 05-08)

Department of Agriculture
Rural Development
Multi-Family Housing Physical Inspection

Section I: General Information					
Servicing Official:			Date:		
Select Type of Visit:		Year Built:			
Property Name:					
Management Agent Name:			No. of Units:		
Borrower Name:			RA Units:		
Borrower ID and Project No:		Select Project Type			
Indicate A=Acceptable. Acceptable indicates that the condition is satisfactory or up to industry standard. F=Finding. A finding is a failure to meet physical standards that indicate a widespread occurrence or pattern of a physical problem that should be corrected through routine procedures. Health & Safety, or accessibility issues are either a finding or V=Violation (a finding that because of its severity requires using the three servicing letters, and possibly the pursuit of acceleration). N/A=Not Applicable. For each finding or a violation, use the comment section to provide an explanation of the problem including possible corrective action. Indicate the Estimated Completion Date (ECD) in the column provided. The comment section may be used for observations or notes. See FMI for specific instructions.					
Section II: Exterior Site Inspection	A	F	V	ECD	N/A
Utilities					
Drainage and Erosion Control					
Landscaping and Grounds					
Drives, Parking Surfaces and Walks					
Exterior Signage					
Site Accessibility					
Fences and Retaining Walls					
Debris and Graffiti					
Lighting					
Foundation					
Exterior Walls and Siding					
Roofs, Flashing and Gutters					
Windows, Doors and Exterior					
Common Area Signage					
Common Area Accessibility					

Comments/Observations (use additional sheet(s) as needed):

This form is to be used for the annual physical inspection and the triennial supervisory visit.

(see reverse)

PROCEDURE FOR PREPARATION : HB-2-3560.

PREPARED BY : RHS Servicing Official.

NUMBER OF COPIES : Original and one copy.

SIGNATURES REQUIRED : None.

DISTRIBUTION COPIES : Original to borrower's servicing file. A copy with follow-up letter to borrower within 30 days after the inspection.

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Section III: Unit Inspection		Unit #:			
Is this unit vacant ?:	Date vacated:		Rent Ready:		
Tenant Name:					
Apartment Unit - General	A	F	V	ECD	N/A
Water Heaters					
Emergency Call System (if installed)					
Fire Protection					
Accessibility					
Electrical, Air Conditioning and Heating					
Insect/Rodent Infestation					
Living Room/Dining Room	A	F	V	ECD	N/A
Entrance Door					
Walls and Ceilings					
Door and Windows					
Flooring					
Kitchen	A	F	V	ECD	N/A
Walls and Ceilings					
Windows					
Refrigerator					
Range and Range Hood					
Sinks					
Cabinets					
Flooring					
Accessibility					
Bathroom	A	F	V	ECD	N/A
Water Closet					
Bathtub and Shower Stall					
Sinks/Vanity					
Walls and Ceilings					
Doors					
Flooring					
Accessibility					
Bedroom	A	F	V	ECD	N/A
Walls and Ceilings					
Door and Windows					
Flooring					

Comments/Observations (use additional sheet(s) as needed):

Annual Physical Inspection

The Loan Servicer completes the Worksheet for MFH Physical Inspection, Sections I, II and III. The Loan Servicers monitor the physical condition of the project to ensure that the property maintains its value and that tenants have housing that is decent, safe, and sanitary.

Annual inspections are required for all properties with outstanding physical findings identified in Multi-Family Information System (MFIS) unless a full physical inspection and supervisory visit are due. However, the Loan Servicer may schedule an annual inspection at any time if warranted.

Examine the project’s grounds, exteriors, and common areas. The number of occupied units to be examined is the greatest of 5 percent of all occupied units or at least two units. If the project has vacancies, the greatest of 5 percent of vacant units or at least 2 vacant units must also be inspected. For example, a 48 unit project with 3 vacant units would require 2 occupied units and 2 vacant units to be inspected for a total of 4 units.

Triennial Physical Inspection (Full Physical)

The Loan Servicer should use the Worksheet for MFH Physical Inspection, completing all sections I, II, and III. To complete the review, the Loan Servicer will:

Examine the project’s grounds, exteriors, common areas, and 20 percent of the totals units (or at least six units). Review the extent of borrower compliance with the physical accessibility requirements of civil rights laws. Review the ability of the project’s current budgeting and capital planning to implement any improvements identified by the borrower’s transition plan.

Number of revenue producing units	Number of units to inspect
0-5 Units	All Files
6-30 Units	6 Files
31-74 Units	10 Files
75 or more units	15 Files

Section I:

General Information: Complete the information as required. Use the drop-list to specify the Type of Visit: Annual, Triennial, Voucher or Other. Use the drop-list to specify the property type FA: Family; LH: Labor Housing; EL: Elderly CG: Congregate Housing.

Sections II and III:

Indicate the site condition as follows: Indicate F for Finding or V for Violation. If a finding or a violation, use the comment section to provide an explanation of the problem including possible corrective action.

Acceptable (A) indicates that the condition is satisfactory or meets Rural Development standards. A Finding (F) is defined as a failure to meet physical standards that indicate a widespread occurrence or pattern of a physical problem that should be corrected through routine procedures.

A Violation (V) is defined as a finding that escalates because of its severity or because of the type of servicing effort that will be needed to obtain compliance. When designating a finding as a violation, it indicates a willingness to pursue the finding to the point of acceleration to have it corrected. Examples may include; failing to adequately maintain the exterior physical condition of the property or failing to comply with environmental mitigation measures.

For findings and violations, indicate the ECD in the column provided. The ECD maybe provided by the borrower or management agent. It may also be provided in the borrower's or management agent's written response to the inspection report.

Use N/A if the condition is Not Applicable.

Use the comment section for observations, notes and descriptions. Describe the frequency as either isolated, a pattern or widespread. Also describe the severity of the problem by indicating low, medium or high.

Use the following criteria to complete sections II and III:

Section II: Exterior Site Inspection

Utilities: The project has an adequate and safe water supply. The project has functional and safe waste water disposal. Project site is free of hazardous waste material. Sewer covers are in place. Water meter covers are in place.

Drainage and Erosion Control: Units, basement or crawl space are free of evidence that water has entered. Site drainage is safe & effectively protects the project from water damage. Site is free from erosion evidence by deep ruts or removal of top soil.

Landscaping and Grounds: Lawns appear mowed and maintained. Plants and shrubs are maintained & allow air to windows, vents and sills. Recreation areas are maintained and safe. Trash collection areas are adequately sized, screened, and maintained.

Drives, Parking Surfaces and Walks: Provide safe access and surfaces are free of holes and deterioration. Walks are free of changes in height (1/2 inch or greater) and deterioration. Holes or deteriorated areas are no larger than approximately 1 sq. ft for every 10 sq ft of area.

Exterior Signage: All signs including project, building, parking, unit number and informational are visible and well kept. Project sign includes the name of the project, rental contact information (phone #), and EHO logotype (house symbol and slogan) or slogan, or statement.

Site Accessibility: Accessible, designated handicapped parking space (s) provided. Handicapped parking space properly identified. Common areas (mailbox, trash area, playground, etc.) are accessible through walks, ramps, landings. Mailboxes for accessible units at accessible heights.

Fences and Retaining Walls: Fence lines are free of trash, weeds, vines and other vegetation. Fence is free of holes, and damage or loose sections. The bases of all retaining walls are free of erosion. Walls are promptly repaired to prevent additional damage. Weep holes are cleaned to prevent excessive pressure behind wall.

Debris and Graffiti: Project site is kept free of trash, litter and debris. Common Areas are kept free of litter, trash, debris. Public walkways, walls of building, common area are free of graffiti.

Lighting: Exterior lighting is functional. Common Areas lighting is functional. Lighting permits safe access and security.

Foundation: Free of structural failure as evidenced by continuous horizontal cracks, uneven settlement and/or severe bowing of the foundation wall. Free of unstable soils which could undermine foundations or parking area. Free of structural members showing excessive rot. Free of insect or rodent infestation.

Exterior Walls and Siding: Walls free from deterioration which allows element to infiltrate the structure. Eaves, gables, & window trim are free of deterioration. Exterior wall coverings are intact, securely attached and in good condition. Exterior walls and surfaces are clean and painted, if applicable. Brick veneers are free of missing mortar or brick.

Roofs, Flashing and Gutters: Gutters and downspouts securely attached, clean and finished (painted) properly. Splash blocks or extenders are used to direct flow away from building. Roof is free of leaks or defective covering which allows elements to enter. The roof structure is free of sagging or buckling. Fascia and soffits are intact. Roof is free of curled or missing shingles.

Windows, Doors and Exterior: Screens are free of tears, breaks and rips. Windows are unbroken. Window thermo pane seals are unbroken. Caulking on the exterior of the window and doors is continuous and free of cracks. Doors provide security and have functional locks. Doors are weather tight and free of holes. Porches, balconies and exterior stairs are free of broken, missing or rotting components.

Common Area Signage: “Justice for All” poster properly displayed. Equal housing opportunity poster properly displayed. Current affirmative fair housing marketing plan posted. Tenant grievance and appeal procedure posted. Project occupancy rules posted. Office hours posted. Emergency telephone number (s) posted.

Common Area Accessibility: Accessible, designated handicapped parking space (s) provided. Handicapped parking space properly identified. Common areas (office, community room, and laundry room) are accessible through walks, ramps, landings, door lever handles. Accessible appliances in laundry. Elevators or mechanical lifts are functional and kept in good repair (if installed). Common area switches, outlets, thermostats and controls at accessible heights. Public restrooms have maneuvering room at sink and toilets, grab bars and lever faucets, insulated pipes and mirrors at accessible heights.

Section III: Unit Inspection

Apartment Unit: Is the unit vacant? If yes, respond to the questions concerning rent readiness. Use the comment/observation section to describe the condition of the vacant unit.

General

Water Heaters: Water heaters operate properly, do not leak and supply adequate hot water. Water heaters are supplied with temperature/pressure relief valves. Water heater area free of damage.

Emergency Call System (if installed): Operating properly. Switches located in bathroom and bedroom. Switches furnished with pull cord and the down position is “ON”.

Fire Protection: Smoke detectors properly located according to local code. Smoke detectors operating. Properly Fire extinguisher properly charged.

Accessibility: Unit is accessible through walks, ramps, landings, floor coverings, door lever handles, thresholds and door widths. Switches, outlets, thermostats and controls at accessible heights.

Electrical, Air Conditioning and Heating: Units are free of bare wires, uncovered outlets or other evident safety hazards. Switches working properly without evidence of arcing. Light fixtures are unbroken and operable. Heating and cooling modes function properly including thermostats. Return air grills clean, free of rust and maintained.

Insect/Rodent Infestation: Units free of visible signs of insects or rodents. Units free of signs of insect or rodent damage.

Living Room/Dining Room

Entrance Door: Unit number visible. Are door jambs secure and undamaged? Is door in need of weather-stripping? All doors are free of holes and metal doors are free of rust. Door hardware is secure, unbroken and easily operable. Dead bolts are in place and secure.

Walls and Ceilings: Walls and ceilings are free of holes. Wallboards joints are secure and free of cracks. Walls and ceilings are free of evidence of current water leaks. Walls and ceilings are free of material that appears in danger of falling. Has the unit been painted within the last 5 years?

Door and Windows: All doors are free of holes and metal doors are free of rust. Door hardware is secure, unbroken, and easily operable. Door stops or wall protectors in place. Window interiors are free of evidence of moisture damage. Windows are free of bent blinds or torn curtains. Windows can be opened and closed easily. Broken or cracked windows. Fogged windows.

Flooring: Carpet is clean and without excessive wear. Carpet seams secure and stretched properly. Resilient flooring is clean and unstained. Resilient flooring is free of tears and breaks, and seams are secure.

Kitchen

Walls and Ceilings: Walls and ceilings are free of holes. Wallboards joints are secure and free of cracks. Walls and ceilings are free of evidence of current water leaks. Walls and ceilings are free of material that appears in danger of falling.

Windows: Window interiors are free of evidence of moisture damage. Windows are free of bent blinds or torn curtains. Windows can be opened and closed easily. Broken or cracked window? Fogged windows?

Refrigerator: Housing is sound and finish is free of chips, damage or signs of rust. Cooler and freezer operating satisfactorily. Shelves and door container secure and free of rust. Door gaskets in good condition and functioning properly.

Range and Range Hood; Housing is sound and finish is free of chips, damage or signs of rust. Electrical connections secure and insulated. All range elements operable. Doors and drawers secure. Control knobs and handles in place and secure. Range hood fan and light are operable.

Sinks: Finish is free of chips, damage or signs of rust. Sink is free of cracks, breaks and leaks. Strainer in good condition and in place. Fittings working properly and free of leaks. Plumbing connection under cabinet free of leaks. Sink secured to wall, counter or vanity top.

Cabinets: Cabinets are secured to walls and floor. Cabinet faces doors and drawer fronts in good condition and free of breaks and peeling. All drawers and doors are in place and working properly. Counter tops secure and free of burn marks or chips. Shelves in place fastened securely and free of warps. Bottoms under sink are free of evidence of warping, breaks or being water soaked. Kitchen counter and back splash are properly caulked.

Flooring: Carpet is clean and without excessive wear. Carpet seams secure and stretched properly. Resilient flooring is clean and unstained. Resilient flooring is free of tears and breaks, and seams are secure.

Accessible Units: Kitchens have lever faucets, maneuvering room at sinks and counters, accessible counter heights, controls and insulated pipes

Bathroom

Water Closet: Stool is free of cracks, breaks and is securely fastened to the floor. Seat is secure and in good condition. Tank is free of cracks or leaks and the lid fits and is in good condition. Flushing mechanism is in good conditions and operates properly. Water closet base at floor is properly caulked.

Bathtub and Shower Stall: Finish is free of chips, damage or signs of rust. Tub and shower stall are free of cracks, breaks and leaks. Strainer in good condition and in place. Walls and floors of bathtub are properly caulked. Top and sides of shower stall are properly caulked. Fittings in Bathtub working properly.

Sinks/Vanity: Finish is free of chips, damage or signs of rust. Sink is free of cracks, breaks and leaks. Strainer in good condition and in place. Fittings working properly and free of leaks. Plumbing connection under cabinet free of leaks. Vanity top and back splash are properly caulked. Sink secured to wall, counter or vanity top. Vanities are secure to walls and floor. Counter tops secure and free of burn marks or chips. Bottoms under sink are free of evidence of warping, breaks or being water soaked.

Walls and Ceilings: Walls and ceilings are free of holes. Wallboards joints are secure and free of cracks. Walls and ceilings are free of evidence of current water leaks. Walls and ceilings are free of material that appears in danger of falling. Towel bars are secured to the wall.

Doors: All doors are free of holes and metal doors are free of rust. Door hardware is secure, unbroken, and easily operable. Door stops or wall protectors in place

Flooring: Resilient flooring is free of tears and breaks, and seams are secure. Resilient flooring is clean and unstained.

Accessible Units: Bathrooms have maneuvering room at sinks, toilets and showers or tubs, grab bars and lever faucets, insulate pipes, and mirrors at accessible heights.

Bedroom

Walls and Ceilings: Walls and ceilings are free of holes. Wallboards joints are secure and free of cracks. Walls and ceilings are free of evidence of current water leaks. Walls and ceilings are free of material that appears in danger of falling.

Door and Windows: All doors are free of holes and metal doors are free of rust. Door hardware is secure, unbroken, and easily operable. Window interiors are free of evidence of moisture damage. Windows are free of bent blinds or torn curtains. Windows can be opened and closed easily. Door stops or wall protectors in place.

Flooring: Carpet seams secure and stretched properly. Carpet is clean and without excessive wear. Resilient flooring is free of tears and breaks, and seams are secure. Resilient flooring is clean and unstained.

Photograph any deficiencies noted during the inspection. Attach pictures for additional evidence of problems and maintain in borrower's case file. Complete a unit inspection form for each unit inspected.

Inspection Report: Once the inspection is complete, the results should be entered into MFIS. A letter to the Borrower should be forwarded that provides a copy of the final inspection report or a very descriptive narrative that details the observations, findings, and violations noted. Provide the borrower with 30 days to respond. The Borrower's response should include the status of the items identified in the inspection report, such as a schedule of completion. If items are not complete, then an estimated completion date should be included in the response. The estimated completion date then becomes the follow up date in MFIS for that item. If there is no response from the Borrower then the findings in the MFIS system will affect the project's classification.