

Introduction

Mortgagee Inspections

. Lenders of HUD-Insured Multifamily Housing Properties are responsible for performing physical inspection of each of their properties using HUD REAC protocol and HUD REAC certified inspectors.

- . Mortgagee: lender
- . Mortgagor: borrower

Main Features

Servicing Mortgagees use the HUD-Real Estate Assessment Center (REAC) inspection Protocol. HUD published a final rule in December 2000 which among other things altered the Frequency of inspections to be performed by the mortgagees. Frequency of inspections depends on the Property score:

- 90 and above inspected every three years
- 80-89 every two years
- less than 80 every year

Timing of Inspections:

Inspections can take place 3 months before or after the inspection ideal date. However inspections cannot be conducted after the end of the calendar year following the anniversary date of the last required inspection (i.e. A property with ideal inspection date of 10/31/07 the inspection latest inspection date first will be 12/31/07 and not 1/31/07). For properties with no prior inspections the inspection due date (in REMS) plus 24 months.

System Access

The primary source for most of the information in scheduler is the Real Estate Management System (REMS). All inspectors access scheduler by going to REAC web site at <http://www.hud.gov/reac> and check on the online system to log in. Click on Physical Assessment Subsystem (PASS) and that takes you to the Physical Inspection Main Menu.

All mortgages access the inspection-related applications via the FHA Connection website <https://entp.hud.gov/clas/>. Servicing Mortgagees must register to use FHA Connection. Each company is limited to **two coordinators** who serve as system administrators but it has unlimited standard users.

The main steps for schedule inspections by mortgagees:

1. Sign onto FHA Connection and go the Physical Inspection Main Menu
2. Associate inspectors with servicing mortgagee company assign master scheduler(s) to properties. The master scheduler is responsible for scheduling inspections for inspectors and answering questions about completed inspections that is placed on hold.
Master Scheduler then associates inspectors with properties and schedules dates for the inspection. Ensures the scheduled date is acceptable to the property owner who will in turn to notify the residents.

Inspector Sources

Mortgagee's contact inspectors via the listing on the REAC website at http://www.hud.gov/offices/reac/products/pass/inspectors_new.cfm. The listing is only those inspectors who (at time of registration) agreed to have their contact information published on the REAC website.