FHA checklist: Minimum Property Standards (MPS) for new construction

Quality Title & Abstract Agency
Jordan Appraisal Group

Note

(New construction still has to be safe, sound, and secure, plus it has added rules for permits, inspections, warranties, codes, and certain documents.)

Step 1

Confirm it counts as “new construction” under FHA

- ☐ **Proposed construction:** No permanent material has been placed yet (digging footings doesn’t count).
- ☐ **Under construction:** Permanent material has been placed, but it’s not 100% complete and there’s no Certificate of Occupancy (or equivalent).
- ☐ **Existing less than one year:** 100% complete, CO issued within the past year, and it has **never been occupied**.

Notes / repairs needed:

Step 2

The property itself (still must meet the “safe, sound, secure” basics)

Use the Existing Home MPR checklist to confirm these are also true for the new build:

- ☐ Utilities, systems, structure, roof, safety items, and site drainage look good.

Step 3

Building code and durability (what MPS adds on top)

- ▢ The home meets a nationally recognized building code, or a state/local code based on a nationally recognized code (or HUD field office specifies a comparable code where no code exists).
- ▢ Durability items are installed to a standard that won't fall apart quickly. MPS specifically focuses on durability more than model codes often do (examples include doors, windows, gutters/downspouts, painting/wall coverings, cabinets, carpeting).

Notes / punch list items:

Step 4

Required inspections (new construction financing)

- ▢ Site-built homes and condo units (based on construction status at appraisal).
- ▢ Manufactured housing (based on construction status at appraisal).

Notes:

Step 4A

If it's Proposed Construction	☐ Building permit (or equivalent) **and** Certificate of Occupancy (or equivalent), **OR** ☐ Three inspections: **footing, framing, final** by local authority or an ICC-certified Residential Combination Inspector (RCI) / Combination Inspector (CI). ☐ If no ICC-certified RCI/CI is available: three inspections by a **disinterested** third-party **registered architect or structural engineer** who meets state licensing and bonding requirements.
If it's Under Construction	☐ Building permit (or equivalent) **and** CO (or equivalent), **OR** ☐ Final inspection by local authority or ICC-certified RCI/CI, **OR** ☐ If no ICC-certified RCI/CI is available: final inspection by a **disinterested** registered architect/structural engineer (licensed and bonded).
If it's Existing Less Than One Year	☐ Copy of CO (or equivalent), **OR** ☐ Final inspection by local authority or ICC-certified RCI/CI, **OR** ☐ If no ICC-certified RCI/CI is available: final inspection by a **disinterested** registered architect/structural engineer (licensed and bonded).

Notes:

Step 4B

Manufactured housing (based on construction status at appraisal):	☐ Proposed: building permit and CO, **OR** two inspections (initial and final) by local authority or ICC-certified RCI/CI, **OR** two inspections by disinterested registered architect/structural engineer if no authority/ICC option exists. ☐ Under construction: building permit and CO, **OR** final inspection by local authority or ICC-certified RCI/CI, **OR** final inspection by disinterested registered architect/structural engineer if needed. ☐ Existing less than one year: CO, **OR** final inspection by local authority or ICC-certified RCI/CI, **OR** final inspection by disinterested registered architect/structural engineer if needed.

Notes:

Step 5:

Required documents that usually must be in the file for new construction

- [ ] **HUD-92541** Builder's Certification of Plans, Specifications, and Site.
- [ ] **HUD-92544** Warranty of Completion of Construction. ,
- [ ] Inspections included, as applicable.
- [ ] Inspection results are reported on **HUD-92051 (Compliance Inspection Report)** or an appropriate state inspection form.
- [ ] If a third-party architect/engineer did inspections due to no ICC option: keep proof they are **licensed and bonded** under state/local law.
- [ ] Wood infestation/termite documentation, unless the property is in a "no to slight infestation" area per HUD's list.
- [ ] **HUD-NPMA-99-A** Subterranean Termite Protection Builder's Guarantee is required for all new construction.
- [ ] **HUD-NPMA-99-B** is required when termite protection uses bait systems, field-applied wood treatment, soil chemical termiticide, or a physical barrier system (as reflected on HUD-NPMA-99-A).
- [ ] Post-construction perimeter-only soil treatment should be rejected when the termiticide is applied only around the perimeter of the foundation.
- [ ] If required locally: local health authority well water analysis and/or septic report.

Notes / repairs needed:

Step 6: Warranty basics (HUD-92544) in plain language

- ☐ The builder warrants the home was built in substantial conformity with the approved plans and specs.
- ☐ The buyer must give written notice of substantial nonconformity within **one year** from conveyance or initial occupancy (timing varies in certain completion scenarios).
- ☐ The builder warrants against defects in equipment, material, or workmanship and must remedy defects at the builder's expense within the warranty period.

Notes / repairs needed:

Need assistance?
Contact our Appraisal Manager at 732-460-1920.

This checklist is meant to help spot common FHA issues early. It doesn't replace the appraiser, lender, or local code requirements. FHA rules and documentation needs can vary by property type and location.