

Construction Complaint for New Constructed Property

**U.S. Department of Housing
and Urban Development**
Office of Housing
Federal Housing Commissioner

OMB No. 2502-0047 (exp. xx/xx/xxxx)

All submissions must be signed.
See page 2 for information on the Section 518(a)

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Section 2(a) of the National Housing Act authorizes the Secretary of the Department of Housing and Urban Development to insure qualified financial institutions against losses involved in mortgage insurance. Regulations at Basic Laws on Housing and Community Development, Section 801(a) detail the requirements for eligibility of the property and Section 518(a) detail requirements to request financial assistance if the property is considered unsafe. This information collection is used to provide orderly processing of homeowner complaints by listing complaint items that the builder is responsible to correct as provided for in a warranty of completion and conformance. While the information is considered confidential, HUD does not pledge assurances of confidentiality to respondents. HUD generally discloses this data only in response to a Freedom of Information request.

Privacy Act Statement: The information provided will be used to determine whether you are eligible for assistance in correcting your construction complaint. The information may be disclosed to the person or firm about which you are complaining to try to resolve the complaint. It may also be disclosed to the organizations listed in the HUD's Automated Systems of Records, Dept. No. 10, Construction Complaints Files published yearly in the *Federal Register* for purposes of investigating or placing restrictions on builders. You are not required by law to provide this information, however, failure to provide the information will result in a delay of any action HUD may take to provide assistance or in denial of assistance. HUD is requesting this information under the authority provided by Sections 518 and 801 of the National Housing Act (P.L. 479, 48 Stat. 12, 12 USC 1701, et seq.).

1. Property Address:	2. FHA Case No: (if unknown, contact lender)
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3. Mortgagor's (HomeOwner/Borrower) Name(s):	4. Date Property was Purchased:
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3a. Mortgagor's Address (if different from the property address above):	3b. Mortgagor's Phone No: Home: _____ Work: _____
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5. Builder's Name & Address:	5a. Builder's Phone No:
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6. Mortgagee's (Lender) Name & Address:

7. Is the Title to the property in Your Name? <input type="checkbox"/> Yes <input type="checkbox"/> No	8. Are You an Occupant of the Property? <input type="checkbox"/> Yes <input type="checkbox"/> No	9. You Brought the Property as: <input type="checkbox"/> a New House <input type="checkbox"/> an Existing House
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10. List, in detail, the construction defects in the property. Include any documentation supporting the claim.
Please list seperately any items that you consider a structural defect: (Attach a seperate sheet of paper if you need more space.)

If you have a 10-year warranty, enter the:

11a. Enrollment No:	11b. Name of the Plan:
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12. If you bought this house as a new house, describe efforts you have made to obtain correction of the defects by the builder and/or the 10-year warranty company:	13. Date the Builder/Warranty Co. was First Notified in Writing of this Complaint
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Signature of Mortgagor: X	Signature of Mortgagor: X	Date:
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An existing home that was previously lived in is not eligible for HUD assistance if a complaint occurs about the condition of the home.

HUD requires an appraisal only to determine the acceptability of the property as security for an insured mortgage and to arrive at an estimate of value for mortgage insurance purposes. As a result, HUD does not guarantee or certify that a structure is free of defects. Prior to buying the home, the buyer was responsible to inspect the property carefully or obtain the services of a private inspection service to determine the condition of the property. If there are problems with your existing home and you believe that the seller or the realty agent has acted contrary to your understanding of the sales agreement, HUD can only suggest that you contact an attorney familiar with real estate transactions to discuss your possible remedies.

If you bought a new home and HUD accepted the plans and specifications before construction began, or if you have a 10-year warranty on your home, the builder is required to give you a warranty (See forms HUD-92544 and -92544-A that you received when you closed your loan with your mortgage lender.) The warranty covers defects in labor and materials on your property and is for one year following the date on which title is transferred to the original buyer or the date on which the house was first lived in, whichever happens first. If, during the warranty period, you notice defects for which you believe the builder is responsible, ask the builder in writing to fix them. If the builder does not fix the defect (s), and you have a 10-year warranty, use their complaint form and send it to them. If you do not have a 10-year warranty or the 10-year plan will not assist you, send this form to your mortgage lender. If your lender cannot help you they will forward it to the local HUD Field Office for their help in obtaining correction of the defect (s). If inspection shows the builder to be at fault, the Direct Endorsement Lender or HUD will try to persuade the builder to fix the defect (s). If the builder does not, you may be able to obtain legal relief under the builder's warranty by contacting an attorney familiar with real estate transactions. You cannot expect the builder to fix damages caused by ordinary wear and tear or by poor maintenance. Keeping the house in good condition is your responsibility.

Where a structural defect (s) is involved, HUD may provide financial assistance to make the corrections under certain conditions. The homeowner and the property must meet all of the following statutory requirements in order to qualify; if the request is received even one day late, the law will not permit HUD to provide assistance.

1. The dwelling must be a one-to-four family structure covered by an individual FHA insured mortgage.
2. The dwelling must have been approved for mortgage insurance or Veterans Administration loan guaranty prior to the beginning of construction and acceptably completed under HUD or VA inspection.
Note to VA buyers: A VA Guaranteed property is not Eligible for Section 518 (a) assistance even though inspection during construction was made by HUD. Similar legislation for VA loan guaranty is provided in Section 1827 of Title 38 of U.S. Code.
3. The request for assistance (form HUD – 92556, or other documented notification of the structural defect) must be filed with the HUD Field Office

not later than four years after the date of the first Mortgage Insurance Certification (form HUD-59100) issued in connection with the property. If HUD erroneously closed a complaint file without notification to the homeowner of a perceived potential structural defect, or failed to perceive a potential structural defect during its processing of a written homeowner complaint, notification requirements will be considered to have been met by the homeowner provided it is reasonable to conclude that the claimed structural defect assuredly developed within the four-year statutory notification period.

A mortgagor that assumes the HUD mortgage, or puts a new HUD mortgage on the property, is entitled to file provided it is filed within the same four-year period following the date of the first Mortgage Insurance Certificate and provided there is no break in mortgage insurance coverage and the property was originally endorsed for mortgage insurance as proposed construction.

4. The contract of mortgage insurance must be in force as of the date the homeowner's request is received, although mortgage payments may be in default.
5. The homeowner must have made reasonable efforts to obtain corrections of the structural defect by the builder, the 10-year warranty company, or other responsible person.

Definition of Structural Defect. For the purpose of implementing Section 518 (a), a structural defect is something that threatens the structural components of the dwelling. The defect may be due to construction, material, workmanship, or latent unpredictable phenomena.

1. The team structural defect includes, but is not limited to:
 - a. Actual structural failures directly affecting the basic integrity of the dwelling and seriously affecting its livability, such as substantial defects in the foundation, footings, slabs, floors, framing or roof.
 - b. Major defects, substantial faults, failures, omissions or critical unpredictable deficiencies relating to the structural components of the property, i.e. dangerous wiring, basement flooding, or failure of individual sewage disposal or water supply systems.

2. Defects in manufactured basic home equipment (furnace, air conditioner, water heater) are covered by the manufacturer warranty and **normally are not eligible** for financial assistance. The homeowner may obtain relief from the manufacturer for defects in these items. If a defect develops in any of these basic pieces of equipment that is clearly not due to manufacture, or the manufacturer refuses to make correction, financial assistance may be offered.

3. Defects in appliances that are easily removed, such as clothes washers, dryers, kitchen ranges and refrigerators **are not eligible** for financial assistance.

4. Defects in finishing materials, such as paint, stain, or decorative nonstructural exterior surface coatings, **are not eligible** for financial assistance unless the problem is the direct result of a structural defect.

5. **Assistance is not available** when the structural defects are caused by fire, earthquakes, flood and tornado, or other natural peril usually covered by property casualty insurance, or by failure of her homeowner to properly maintain the property.

Request for Financial Assistance	Amount Paid for Property:	Amount of Down Payment: (Explain any down payment other than cash)	How many Mortgage Payments have been Missed?
(Applicable for Section 518 (a) Program Only. See below for clarification)	We, the undersigned, certify that we are the sole lawful owners of this property and we understand that only the lawful owners of a property are entitled to apply for special relief under the We agree that if HUD provides us with assistance to correct structural defects in the property, the Secretary of HUD is given all rights, equities and remedies that we may have against the builder, seller or other persons, arising out of the defects so corrected and the Secretary is authorized to sue, compromise or settle in our name for this purpose. We understand that this agreement means that HUD will be entitled to all money damages and other relief to which we would have been entitled.		

Signature of Mortgagor: X	Signature of Mortgagor: X	Date:
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