

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
OFFICE OF NATIVE AMERICAN PROGRAMS**

***IMPORTANCE OF HOME INSPECTIONS***

***HUD DOES NOT WARRANT THE VALUE OR THE CONDITION OF A HOME***

HUD's Office of Native American Programs requires the lender to have an appraiser determine the value of the property which you are purchasing, it is an estimate only and is used to determine the amount of mortgage which HUD will guarantee and if the condition of the property makes it eligible for HUD mortgage guarantee. The appraisal, however, is not a guarantee that the property is free of defects.

As the purchaser, YOU should carefully examine the property or have it inspected by a qualified home inspection company to make sure that the condition is acceptable to you. You should do this before you sign the sales contract or make the contract contingent on the inspection. If repairs are needed, you may negotiate with the owner about having the faults corrected.

There is no requirement that you hire an inspector. If you choose to, the cost of the inspection up to \$300 may be included in our mortgage loan. Names of home inspection companies can be found in the yellow pages of your telephone directory under the heading, "Home Inspection Services", or your Tribe or Housing Authority may have a listing of these companies.

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Borrower(s) Signature