

## Minimum Property Standards Evaluation Client Agreement

Prepared for: \_\_\_\_\_ (client)

Property Address: \_\_\_\_\_  
\_\_\_\_\_

This agreement is entered on \_\_\_\_\_, between \_\_\_\_\_ (BUILDING INSPECTOR/CONSULTANT) and \_\_\_\_\_ (BUYER) regarding the subject property:

For the sum(s) specified below the BUILDING INSPECTOR/CONSULTANT agrees to:

Meet with Buyer and /or Buyer(s)' Agent(s) at the subject property address to **EVALUATE** the physical property, identify areas in need of improvement, and determine overall suitability for an FHA's Insured Mortgage. An evaluation fee will be due and payable upon completion of these services. This fee is non-contingent and non-refundable. **This evaluation is not to be considered a residential "Home Inspection" as defined by any National, State or Local Standards of Practice for home inspection.** The Building Inspector/Consultant is a licensed, qualified residential building inspector as required by State/Local mandates but is not to be held to the standards of practice for a "Home Inspection". This evaluation is a limited, visual evaluation of readily accessible areas and components of the above referenced property solely for the purpose of identifying those areas that would be considered non-compliant with FHA Minimum Property Standards as established by HUD Handbook 4910.1, Minimum Property Standards for Housing, Handbook 4905.1 and subsequent Mortgage Letters as are obvious and apparent at the time of the evaluation. The report that will be provided to the above named client will only address the items and areas as required by the above referenced handbooks.

It is understood by all parties that the evaluation is subjective and while thorough and encompassing, is neither a guarantee express or implied that the item listed will be exclusively reported by a HUD approved appraiser or building consultant. The HUD appraisal report may indicate additions or deletions from the items listed as observed by that individual at the time of his/her appraisal of the property.

THIS EVALUATION IS NOT A SUBSTITUTE FOR A COMPREHENSIVE HOME INSPECTION OR CERTIFICATION BY A LICENSED PROFESSIONAL. Should the client desire, for an additional fee, the Building Inspector/Consultant may perform a comprehensive home inspection.

It is understood and agreed to by both parties that **YOUR COMPANY NAME** is not an insurer and is not insuring the property evaluated against defects or the future condition of this property, its structural components, or its various plumbing, mechanical, and/or electrical systems.

In the event that the client believes that Company is responsible for any problem with the property or its components, the client agrees to notify Company within 30 days following this discovery, and to allow Company 30 days, if practical, to re-examine these conditions before making any remedial repair. Failure to do so will void any further responsibility of Company.

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IF COMPANY IS FOUND LIABLE FOR ANY LOSS OR DAMAGE DUE TO ITS NEGLIGENCE OR THE FAILURE TO PERFORM ITS OBLIGATIONS IN THIS AGREEMENT, INCLUDING THE IMPROPER OR NEGLIGENT PERFORMANCE OF THE EVALUATION OR THE IMPROPER OR NEGLIGENT REPORTING OF CONDITIONS OF THE SUBJECT PROERTY, COMPANY'S MAXIMUM LIABILITY SHALL BE LIMITED TO THE FEE PAID TO COMPANY FOR THE EVALUATION, AND THIS LIABILITY SHALL BE EXCLUSIVE. THIS LIMITATION OF LIABILITY SPECIFICALLY COVERS LIABILITY FOR DAMAGED PROERTY, LOSS OF USE OF THE PROPERTY, LOST PROFITS, CONSEQUENTIAL DAMAGES, SPECIAL DAMAGES, INCIDENTAL DAMAGES AND GOVERNMENTAL FINES AND CHARGES.

In the event a dispute or claim should arise from the Evaluation or Evaluation report, it is agreed that this dispute or claim shall be resolved informally between the parties or by binding Arbitration under the "Commercial Arbitration Rules" of the "American Arbitration Associations", and use as a standard of care and performance, the "Standards-of-Practice" (NAHI) and (ASHI). The client must bring any claim against the Company within 1 year after the date of Evaluation. If the client does not, the client has no right to sue Company and Company has no liability to client for that claim. It is critical that the client brings any claim in a timely manner. Time is of the essence. In any arbitration or legal action in which we are found to be without fault, the client(s) agrees to reimburse Company for any attorney's fees incurred in their defense of the proceeding. In the event that any clause in this agreement is found to be invalid by a court of law this will not invalidate any other portion of the agreement.

Fees:

FHA MPS Evaluation:                   \$ \_\_\_\_\_

Borrower:

X \_\_\_\_\_  
PRINT NAME

Date: \_\_\_\_\_

X \_\_\_\_\_  
SIGN NAME

Date: \_\_\_\_\_