



Philadelphia Home Ownership Center

U.S. Department of Housing and Urban Development

The Wanamaker Building
100 Penn Square East
Philadelphia, PA 19107-3389

October 3, 2000

CIRCULAR LETTER PH 00-06

TO: All Approved Mortgagees Doing Business in Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia

FROM: Engram A. Lloyd, Director, Philadelphia Homeownership Center

SUBJECT: Wood Destroying Insect Reports - Existing Properties & New Construction

The Philadelphia Homeownership Center is hereby revising our policy on the submission of Wood Destroying Insect Reports to require such reports on all cases involving existing properties in all geographic areas in our Homeownership Center's jurisdiction with the exception of the following states:

- **New York** - reports required in all counties except the following: Clinton, Essex, Franklin, St. Lawrence, Niagara and Orleans.
- **Vermont** - reports required in Rutland, Windsor, Bennington and Windham counties. Excluded counties are: Franklin, Grand Isle, Orleans, Essex, Chittenden, Lamoille, Caledonia, Washington, Addison and Orange.
- **New Hampshire** - reports required in Sullivan, Merrimack, Belknap, Strafford, Cheshire, Hillsborough and Rockingham. Excluded counties are: Grafton, Carroll and Coos.
- **Maine** - reports required in York and Cumberland counties. All other counties are excluded.
- **Michigan** - reports required in all counties except the following: Alcona, Alger, Alpena, Antrim, Arenac, Baraga, Bay, Benzie, Charlevoix, Cheboygan, Chippewa, Clare, Crawford, Delta, Dickinson, Emmet, Gladwin, Gogebic, Grand Traverse, Houghton, Huron, Iosco, Iron, Isabella, Kalkaska, Keweenaw, Leelanau, Luce, Mackinac, Marquette, Menominee, Midland, Missaukee, Montmorency, Ogemaw, Ontonagon, Osceola, Oscoda, Otsego, Presque Island, Roscommon, Saginaw, Sanilac, Schoolcraft, Tuscola and Wexford.

This inspection is to be performed by a state licensed pesticide business (registered pest control technician or licensed pesticide applicator). The purpose of the inspection is to provide reasonable assurance that the physical security of the property improvements is not threatened or damaged by termites or other wood destroying insects. Active infestations must be treated and all related damage must be properly corrected. The National Pest Control Association Form NPCA-1 is the proper form to use for existing construction - unless the property is located in a State that has adopted another mandated form. Also, it is our policy not to require Wood Destroying Insect Reports on streamline refinance transactions.

In those counties reflected above as excluded from mandatory submission of a Wood Destroying Insect Report, appraisers are still responsible for observing all areas of a property that have potential for infestation and, if there is any evidence of infestation, require an inspection from a reputable licensed pest control firm. The appraiser must always note any infestation, any damage resulting from previous infestation and whether damage from infestation has been repaired or is in need of repair (refer to page 3-10 of the 4150.2 Handbook).

If you have any questions regarding these issues, please contact our Technical Support Branch at (215) 656-0578, option 6.