



MEMORANDUM

TO: ALL BUILDERS, ENGINEERS AND STAFF	FROM: RISK MANAGEMENT DEPARTMENT
RE: GUIDELINES FOR STRUCTURAL-FINAL INSPECTION	DATE:

Guidelines for Structural- Final Inspection of Single Family Detached or Attached Home < \$5M when the Home is Completed and a Structural Inspection of the Completed Dwelling is Required in an Unapproved Area.

INTRODUCTION

Structural inspection of a home presented to Home Buyers Warranty Corporation (HBW) is a very important aspect of the HBW Inspection Program. A majority of structural defect claims received by the HBW Insurer, result from foundation movement caused by compressible native soils, peat or poorly compacted man-placed fills that consolidate under the foundation loads of the home; or expansive native soils that shrink or swell due to changes in moisture content. In addition improper framing or other unacceptable elements of the structural components may be identified at the final inspection of the home by observing cracking, settlement and other foundation or structural defects. Identification of the structural defects and the potential for failure may stop unacceptable homes from entering the HBW Warranty Program and reduce claims received by the Warranty Insurer.

A basic requirement of the HBW Warranty Program and our Risk Management Requirements (RMRs) is that every home will receive three inspections the foundation, framing or rough-in and final inspections are standard inspections throughout the housing industry. To mitigate in part for the absence of the RMR inspections a thorough Structural-Final Inspection for the completed home prepared by an HBW approved Structural Engineer licensed in the same State as the home may be acceptable to meet our RMRs. The following Structural- Final Inspection Procedures are to be followed for a completed single family detached or attached home with a sales price of \$5 M or less that does not have documented inspections to meet our RMRs.

STRUCTURAL FINAL INSPECTION

The purpose of the Structural-Final Inspection is to verify construction of the project in compliance with the design plans, the local Building Department and building codes having jurisdiction and HBW standards. The ENGINEER will provide inspection services on a previously completed home based upon the following:

- a. FINAL INSPECTION PROCEDURES AND REPORT- The ENGINEER shall contact the Builder or project superintendent and establish a time to conduct a site inspection. At the completion of the inspection the ENGINEER shall prepare an inspection report that addresses elements of each of the requirements below.
- b. BUILDING PAD AND FOUNDATION- The ENGINEER shall make observations of the foundation system at access points available to determine general compliance with the Builder's approved plans and construction standards.
- c. FRAMING, ROUGH-IN OF SUPERSTRUCTURE- The ENGINEER shall make observations of the foundation and superstructure including framing, mechanical, plumbing and electrical systems at access points available to determine general compliance with the Builder's approved plans and construction standards.
- d. FINAL GRADE- The purpose of this inspection is to determine if there are slopes greater than 6:1 (horizontal to vertical) or 15 % gradient within 50' of home, or other potentially hazardous geological conditions that may affect the foundation performance. Site photographs with a brief description shall be included with the Report. All color photographs shall be taken diagonally from the front and rear property corners for single family residences, or at

the intersection of lines projected straight out from the corners of multi-family buildings to the street showing the front and sides; and diagonally from the rear showing the rear and sides in each photograph to provide a record of the grading and drainage conditions. The ENGINEER will include a statement of the acceptability of the grading and drainage.

- e. FINAL- The ENGINEER shall make observations of the structure to verify that the structure and systems have been acceptable completed, systems are in working condition and the residential unit(s) is ready for occupancy. The ENGINEER shall complete HBW Form U-33.

DOCUMENTATION

The Structural Engineer under contract to conduct a Structural-Final Inspection should provide a brief letter report in addition to the HBW Final Inspection form and site photographs identified above. The letter report should identify the home by address, a summary description of the structural, systems and final workmanship items or elements observed and a punch-list of defects or items that require repair, and indicate whether a re-inspection of the corrected item(s) is needed.