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REO Initial Property Review (IPR) Guidelines

Property Preservation and Inspection

Effective Date 09/25/2015

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Objective and Contents

The objective of this module is to highlight the features of the Initial Property Review (IPR) work order and important pointers to be noted while executing the scope of work.

The Initial Property Review is a comprehensive checklist that helps Altisource® determine the asset condition and provides information on how to preserve, market and maintain the property through the sales process.

This module will cover :

- IPR General Expectations
- IPR Sub Forms
  - Critical Errors
  - Discoloration- Light or Heavy determination
- Summary

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IPR - General Expectations

- The inspection form includes mandatory fields that must be completed
- Vendors are expected to select the most accurate response to the questions on the IPR form
  - As a result of the responses, specific Proposal Requests and Contract Orders will be issued
  - NOTE: Since XactPRM rollout, there has been a 60% increase of approved bids in REO and 100% PFC
- Vendors must submit Vendor Estimates for any life safety issues identified at the property
- All Vendor Estimates must be justified in writing as part of the scope of work using XactPRM
- Any repair items should be reported through the case functionality in VMS

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IPR- Sub-forms

REO Initial Property Review Overview:

- General Property Information
  - Property Damage
- HOA Information
  - HOA Contact Details
  - HOA maintain Landscaping
- Utility Information
  - Electric/Water/Gas
  - Meter Number
- Securing
  - Are all exterior openings secured
- Trash Out
  - Damaged, shabby, wet, or unable to clean the carpet
- Janitorial
- Landscaping
  - Weeds removal
  - Leaf removal
- Pool
  - Above Ground
  - In-Ground
- Winterization
- Interior Inspection
  - Water Heater Earthquake Strapping
  - Sump Pump
  - Discoloration
- Exterior Inspection
  - Gutter Cleaning
- Pest
- Termite
- Life Safety Interior Inspection
- Code Violation Posted

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IPR- Sub-forms

There are certain dependencies built into the IPR form that require accurate responses in order to effectively take care of the property.

Vendors must ensure that inspectors understand the importance of these questions.

Let’s take a look at what happens with various responses to the inspection questions…

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IPR- Sub-forms

General Property Information		
Property Type: Single Family ☐ 2-Family ☐ 3-Family ☐ 4-Family ☐ Condo ☐		
Land ☐ Mobile Home ☐ Multi-Family ☐ Townhouse ☐		
Is the primary residence permanently attached to a foundation?	Yes ☐ No ☐	
Are there any mobile homes on property?	Yes ☐ No ☐	
Provide the VIN number	Text box:	
Property Damage	Yes ☐ No ☐	
If yes, Type of Damage	Text box:	Picture Mandatory
HOA Information		
Is this property part of a Homeowners Association (HOA)?	Yes ☐ No ☐	
If yes, HOA Contact:	Text box:	
HOA Contact Number:		
Does the HOA maintain the landscaping?	Yes ☐ No ☐	
Does HOA/Condo maintain tree and shrubs trimming	Yes ☐ No ☐	

"Type of Damage" description is often overlooked.
HOA Contact information is critical to get recorded into VMS.

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IPR- Sub-forms

Utility Information	
Is the property all electric (no gas service)?	Yes ☐ No ☐
Is the electric turned on at the property?	Yes ☐ No ☐ N/A ☐ If yes, Picture Mandatory
Electric Company Name	Electric Company Contact Number
Does Meter Exist?	Yes ☐ No ☐
Meter No.	Text box:
Is the water turned on at the property?	Yes ☐ No ☐ If yes, Picture Mandatory
Water Company Name	Water Company Contact Number
Does Meter Exist?	Yes ☐ No ☐
Meter No.	Text box:
Is the gas turned on at the property?	Yes ☐ No ☐ N/A ☐
Gas Company Name	Gas Company Contact Number
Does Meter Exist?	Yes ☐ No ☐
Meter No.	Text box:
Securing	
Is property secured?	Yes ☐ No ☐ If yes, Picture Mandatory
Are all exterior openings secured?	Yes ☐ No ☐

Photos are a critical part of the process that helps Altisource and their clients understand the condition at the property level.

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IPR- Sub-forms

Trash Out			
Is trash out Complete?	Yes ☐	No ☐	
Has the mailbox been cleared?	Yes ☐	No ☐	
If soiled or stained, can the carpet be cleaned?	Yes ☐	No ☐	
If torn, damaged, shabby, wet, or unable to clean, does the carpet, pad and tack strips need to be removed?	Yes ☐	N/A ☐	
Janitorial			
Is janitorial complete?	Yes ☐	No ☐	(Might have been completed during Initial Janitorial)
Is the interior clear of all Dust, Dirt, Prints and Cobwebs floor swept and mopped ?	Yes ☐	No ☐	
Is carpet vacuumed clean and free of broken glass?	Yes ☐	No ☐	
Are all appliances thoroughly cleaned inside and out?	Yes ☐	No ☐	
Are all cabinets and closets clean and wiped down?	Yes ☐	No ☐	
Is the fireplace free of debris?	Yes ☐	No ☐	
Are air fresheners present?	Yes ☐	No ☐	
Landscape			
Are weeds removed?	Yes ☐	No ☐	If No, PR - Weed Removal
Are the shrubs trimmed?	Yes ☐	No ☐	
Is all yard debris and leaf litter removed from property?	Yes ☐	No ☐	If No, PR - Leaf Removal

Note: Certain Proposal Requests are issued based on question results.

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IPR- Sub-forms

Pool	
Is there a private pool on the property?	Yes ☐ No ☐
If yes, is the pool above or in ground?	Above ground ☐ In- Ground ☐
If above ground, please create an order to remove the pool	Picture Mandatory PR - Above ground pool removal
If in - ground, Is the pool covered to Altisource standards?	Yes ☐ No ☐ If yes, Picture Mandatory If No, In Ground Pool Drain,Clean & Cover (issued to specialized vendor)
Is the pool fence, gates and screen secured?	Yes ☐ No ☐

Winterization	
Required Winterization Type:	Unknown ☐ Radiant Floor ☐
	Wet/Steam ☐ Dry ☐
Is the property winterized?	Yes ☐ No ☐ If yes, Picture Mandatory
If yes, is antifreeze in all toilets, sinks, and traps?	Yes ☐ No ☐
If yes, are winterization tags on all sinks, tubs, toilets, and tanks?	Yes ☐ No ☐
If yes, are all water lines free of water?	Yes ☐ No ☐
If yes, is water line disconnected from meter and lines capped?	Yes ☐ No ☐

Pool information determines the course of action required to secure the pool.

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IPR- Sub-forms

Interior Inspection - 1					
Are all windows lockable, free of missing or broken panes and free of deterioration?	Yes ☐	No ☐			
Interior Plumbing - If utilities are off, mark Unknown where applicable					
Are there any interior water line or drain leaks?	Yes ☐	No ☐			
If yes, have you shut off the water and cleaned area as required?	Yes ☐	No ☐	If yes, Picture Mandatory		
Are toilets secure?	Yes ☐	No ☐			
Does toilet continuously run?	Yes ☐	No ☐	Unknown ☐		
If yes, have you shut off the water to toilet and cleaned area as required?	Yes ☐	No ☐	If yes, Picture Mandatory		
Have any plumbing lines or fixtures been removed or stolen?	Yes ☐	No ☐			
Is the water heater operational?	Yes ☐	No ☐	Unknown ☐		
Is the water heater leaking?	Yes ☐	No ☐	Unknown ☐		
If yes, have you drained the water heater, shut off water and cleaned area as required?	Yes ☐	No ☐	If yes, Picture Mandatory		
If required by code, does the water heater have an appropriate earthquake strap?	Yes ☐	No ☐	N/A ☐	If No, CO -Water Heater Earthquake Strapping	
Does the property have a sump pump?	Yes ☐	No ☐			
If yes, is the sump pump operational?	Yes ☐	No ☐	Unknown ☐	If No, CO - Replace Sump Pump	
Is there a leaking interior gas line?	Yes ☐	No ☐	Unknown ☐		
If yes, please shut off the gas line inside the property.					

Note: In some cases, Contract Orders are issued.
All fields that have “Unknown” as an option will be changing to “N/A.”

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IPR- Sub-forms

Interior Inspection- 2				
Interior Electrical - If utilities are off, mark Unknown where applicable				
Are there any open or exposed wires interior or exterior? Shut off the power to the area at the breaker as required?	Yes	No	If yes, Picture Mandatory	
Are the service / electrical panel and breakers to code and labeled ?	Yes	No		
Are there any missing light fixtures?	Yes	No		
If yes, which rooms?	Text box:			
Is there at least one working outlet?	Yes	No	Unknown	
If no, which rooms?	Text box:			
Are smoke detectors present?	Yes	No		
If yes, are smoke detectors operational?	Yes	No	Unknown	
Are there any missing outlet covers?	Yes	No		
HVAC - If utilities are off, mark Unknown where applicable				
Does the property have a heating source?	Yes	No		
If yes, is the heat source operational?	Yes	No	Unknown	
If yes, does the heat source serve all livable rooms?	Yes	No		
If no, what rooms not served?	Text box:			
Are there unvented fuel burning space heaters or any other types of unsafe heating conditions?	Yes	No		
If yes, have you disabled space heaters and removed from property as required?	Yes	No	If yes, Picture Mandatory	
Does the property have a central air conditioning system?	Yes	No		
If yes, is the central A/C unit missing or stolen?	Yes	No		
If yes, does the A/C system serve all livable rooms?	Yes	No		
If no, what rooms not served?	Text box:			
If no, does the property have adequate ventilation and cooling by means of operable windows or a working alternative cooling system?	Yes	No	Unknown	
If yes, is the air conditioning system operational?	Yes	No	Unknown	
Are all registers installed?	Yes	No		
If no, which rooms?	Text box:			
Is the thermostat operational?	Yes	No	Unknown	

IPR- Sub-forms

Interior Inspection- 3	
Are there any signs of discoloration at the property	Yes ☐ No ☐ If yes, Picture Mandatory
What is the source of Discoloration	Dropdown : Roof leak ☐ CO - Roof Inspection
	Basement flooding ☐ CO - Pump out water and dry
	Leaking pipes ☐ PR - Other Plumbing Repairs
	Poor ventilation ☐ PR - Other HVAC Repairs
Identify the type of discoloration	Light density ☐ DR Heavy density ☐ DRP
Details of Damages due to Discoloration	Text box:
If humidity, please create an order to install a dehumidifier if electricity is on.	Picture Mandatory

Interior Inspection- 4			
Kitchen - If utilities are off, mark Unknown where applicable			
Is there a Kitchen?	Yes ☐	No ☐	
Is there a working oven and stove or range with top burners that work?	Yes ☐	No ☐	Unknown ☐
Is there a working refrigerator?	Yes ☐	No ☐	Unknown ☐
Are kitchen cabinets missing or damaged?	Yes ☐	No ☐	
Are kitchen countertops in place?	Yes ☐	No ☐	
If yes, are they damaged?	Yes ☐	No ☐	N/A ☐

Identifying the “source” of water / moisture infiltration is critical in order to minimize further damage and discoloration.

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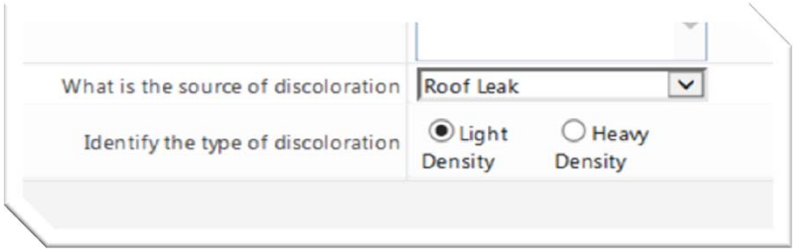
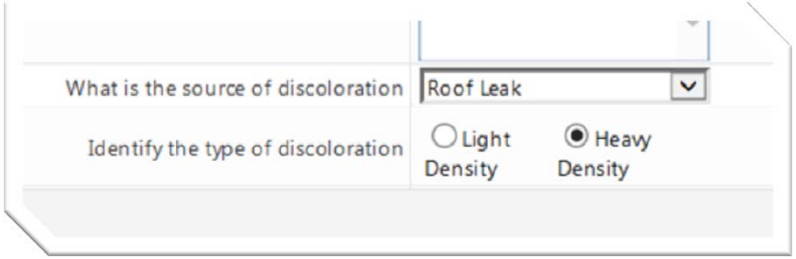
IPR- Discoloration

- Types of Discoloration
  - If **Light Density**, “Discoloration Remediation” Proposal Request is issued



  - If **Heavy Density**, “Discoloration Remediation Plan” Contract Order is issued



It is important that inspectors understand how to classify “light” vs. “heavy” density discoloration.

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IPR- Sub-forms

Exterior Inspection-1			
Exterior Plumbing - If utilites off, mark Unknown where applicable			
Does the property have a well?	Yes ☐	No ☐	
If yes, is the well in working order?	Yes ☐	No ☐	Unknown ☐
Does the property have public water service available?	Yes ☐	No ☐	
Does the property have a septic tank?	Yes ☐	No ☐	
Does the property have public sewer service available?	Yes ☐	No ☐	
Are there any visible leaks in the exterior waterline?	Yes ☐	No ☐	
If yes, have you shut off the water as required?	Yes ☐	No ☐	If yes, Picture Mandatory
Is there any missing or damaged siding, brick, stone or stucco?	Yes ☐	No ☐	
If yes, do the damages exceed 20 sq. ft. of total exterior surface area?	Yes ☐	No ☐	
Are all painted surfaces free of deteriorated paint?	Yes ☐	No ☐	
If no, does deteriorated surfaces exceed 20 sq. ft. of total exterior surface area?	Yes ☐	No ☐	
Are there any damaged or hanging shutters?	Yes ☐	No ☐	
Is there any damaged or missing fascia or soffit?	Yes ☐	No ☐	

Exterior Inspection-2			
Exterior Electrical - If power is off, mark Unknown where applicable.			
Are there down power lines on property?	Yes ☐	No ☐	If yes, Picture Mandatory
If yes, did you inform the power company as required?	Yes ☐	N/A ☐	
Exterior Gas Line			
Does the property have gas service?	Yes ☐	No ☐	
If yes, is the exterior gas line leaking?	Yes ☐	No ☐	
If yes, have you informed the gas company as required?	Yes ☐	N/A ☐	
Does this house have gutter and downspouts installed?	Yes ☐	No ☐	
If yes, please specify the measurement in linear feet	Text box:		If Yes, CO - REO Gutter cleaning 1.1
Are gutter or downspout repairs needed?	Yes ☐	No ☐	

IPR- Sub-forms

Pest	
Are there visible signs of pest infestation?	Yes ☐ No ☐ If yes, CO - Pest Removal
Termite	
Are there visible signs of termite infestation?	Yes ☐ No ☐ If yes, PR - Termite Inspection
Life Safety Interior Inspection	
Are there any Interior Hazardous or Life Safety Issues (Holes in the walls or ceiling)?	Yes ☐ No ☐ If Yes, PR - Life Safety Other Interior Issues
Are there holes in the floor causing a life safety issue?	Yes ☐ No ☐ If Yes, PR - Life Safety Flooring
Do any exterior structures, sheds or buildings create a life safety issue?	Yes ☐ No ☐ If Yes, PR - Life Safety Exterior Structure, Shed, or Building
Are there any dead trees near house that threaten property or create a life safety issue?	Yes ☐ No ☐ If Yes, PR - Life Safety Dead Tree Removal
Does the foundation create a life safety issue or is it unsound?	Yes ☐ No ☐ If Yes, PR - Life Safety Foundation
Do the stairs, rails, porches or decks create a life safety issue?	Yes ☐ No ☐ If Yes, PR - Life Safety Stairs, Rails, Porches and Decks
Do any exterior fences, gates or walls create a life safety issue?	Yes ☐ No ☐ If Yes, PR - Life Safety Fence, Gates, Walls
Does the chimney create a life safety issue?	Yes ☐ No ☐ If Yes, PR - Life Safety Chimney
Is the manufactured home properly placed and tied down?	Yes ☐ No ☐ N/A ☐ If No, Life Safety Manufactured Home Tie Down order is issued
Do any exterior finishes create a life safety issue?	Yes ☐ No ☐ If Yes, PR - Life Safety Exterior Finishing
Other Exterior Hazardous or Life Safety Issues (Failing landscape, Retaining walls or any other Life sagety issue)	Yes ☐ No ☐ If Yes, PR - Life Safety Other Exterior Issues
Code Violation Posted	
Code Violation Issuance discovered during work activities?	Yes ☐ No ☐ If yes, Picture Mandatory
Citation Authority Name	Text box:
Contact Information	Text box:
Notice Date	Text box:
Due Date	Text box:
Violation Details in 100 words or less:	Text box:

Summary

- Vendors are expected to select the most accurate response to the questions on the IPR form
  - As a result of the responses, specific Proposal Requests and Contract Orders will be issued
  - It is the primary vendors responsibility to ensure inspectors are answering questions accurately
  - Selections determine the course of action taken on the property in the weeks and months ahead
- Vendors should flag inspectors for QC that have misrepresented inspection results in the past

- The IPR has been modified and shortened in order to improve results and eliminate duplicate efforts
  - In turn, Altisource expects better results that reflect the true condition of the property

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