

CHAPTER 7 CHANGE OF LOCATION

7-1 CHANGE OF LOCATION AFTER INSURANCE/NON-EMERGENCY PROCEDURE

Following insurance of a mortgage, it may be to the advantage of the borrower, lender, and the FHA to remove the home from the lot upon which the appraisal for mortgage insurance was based. (See Handbook 4150.1, Valuation Analysis for Home Mortgage Insurance for additional information.)

To accomplish this, HOCs should use the following procedures.

- A. The lender must prepare a supplementary case binder containing the lender's request and information, and submit it to the HOC for processing.
- B. The HOC obtains additional information, if needed, analyzes the proposal, and prepares an appropriate reply.
 1. If the change of location is acceptable to FHA, the letter will state that:
 - a. The lender has the responsibility for maintaining a good and valid first lien.

96 Approval is conditioned upon completion of the move and installation of the house in a manner satisfactory to FHA.

97 FHA will make appropriate property inspections to determine if the conditions upon which FHA based its approval have been met.
 2. The supplementary case binder remains in the appropriate HOC until the structure is moved, and the mortgage instrument is modified, recorded, and submitted by the lender to the HOC for filing in the supplementary case binder. The appropriate HOC will inspect the property to determine if the move of the structure has been satisfactorily accomplished. Upon satisfactory completion of the work, the original insured case binder is recalled from Central Records and the HOC merges the supplementary case binder documentation into the original binder and returns it to Central Records for retention.
 3. If the proposal is not acceptable to FHA, or if after the issuance of the letter described in Paragraph 7-1B(1) above, it is found that the structure will not be moved, it is not necessary to maintain the supplementary binder.

Compliance inspections are required to assure that utilities are hooked up, proper foundations are used, repairs of damage are made, and any other necessary corrections are completed.

7-2 CHANGE OF LOCATION AFTER INSURANCE/EMERGENCY PROCEDURE

Following an earthquake or other disaster, a structure located on a property which is security for an insured mortgage, even if undamaged or only slightly damaged, may be hazardous, or the surrounding area may offer such hazards as to preclude continued occupancy of the residence.

Under such circumstances, the following processing instructions apply:

- C. Upon receipt of the lender's request and supplementary case binder, the appropriate HOC will prepare and sign a reply to the lender.
- D. The reply should state that the move is acceptable to the FHA, and request that necessary information regarding the move to the permanent lot be supplied as soon as possible (see Handbook 4330.1, Administration of Insured Home Mortgages).
- E. The procedures set forth in Handbook 4330.1, Administration of Insured Home Mortgages, should be used for further processing of the request.