

FHA INFO #17-44
September 29, 2017



**TO: All FHA-Approved Mortgagees Originating Home Equity Conversion
Mortgages
All FHA-Approved Mortgagees
All Other Stakeholders in FHA Transactions**

NEWS AND UPDATES

FHA Updates Frequently Asked Questions Regarding HECM for Purchase Transactions

Today, the Federal Housing Administration (FHA) announced that it has updated its [FHA Resource Center Knowledge Base](#) with the following new frequently asked questions (FAQs) regarding Home Equity Conversion Mortgage (HECM) for Purchase Transactions, following the September 19th effective date of the HECM Final Rule. FHA will make further updates to its FAQs in the near future.

When can a Mortgagee take the HECM initial loan application on a property that will serve as collateral for a HECM for purchase transaction?

The Mortgagee may take the initial loan application either prior to or after the completion of HECM counseling.

Must the Mortgagee obtain a copy of the Certificate of Occupancy?

Yes. Properties are eligible for FHA insurance under the HECM for Purchase program when construction is completed and the property is habitable, as evidenced by the issuance of the Certificate of Occupancy, or its equivalent, by the local jurisdiction. The Certificate of Occupancy is required to be included in the case binder. Mortgagees may obtain the Certificate of Occupancy at any time prior to submission for endorsement.

[Quick Links](#)

- Access the FHA Resource Center Knowledge Base at: <https://www.hud.gov/answers>

Resources

Contact the FHA Resource Center:

- Visit our online knowledge base to obtain answers to frequently asked questions 24/7 at: www.hud.gov/answers.

- E-mail the FHA Resource Center at: answers@hud.gov. Emails and phone messages will be responded to during normal hours of operation, 8:00 AM to 8:00 PM (Eastern), Monday through Friday on all non-Federal holidays.
- Call 1-800-CALL-FHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

RESOURCE INFORMATION															
FHA INFO Archives:	Visit the FHA INFO Archives to access FHA INFO messages issued from 2012 to the present.														
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