TO: All FHA-Approved Mortgagees and Servicers; All Other Interested Stakeholders in FHA Transactions

NEWS AND UPDATES

FHA Disaster-Related Policy Waiver for Four Additional Counties in Presidentially-Declared Major Disaster Areas in California

The Federal Housing Administration (FHA) issued a waiver for four additional counties in California impacted by wildfires, allowing damage inspections to be conducted beginning November 2, 2017. This waiver is in addition to the waiver issued by FHA on October 24, 2017, of its policy on the timeframe for completing the inspection of properties prior to closing, or submitting the mortgage for FHA insurance endorsement in the Presidentially-Declared Major Disaster Areas (PDMDAs) in certain counties in the state of California impacted by wildfires.

- For mortgages in process secured by properties in a PDMDA that have not closed or are pending endorsement, mortgagees must follow the guidance contained in the Single Family Housing Policy Handbook 4000.1 (SF Handbook) Section II.A.7.c, Inspection and Repair Escrow Requirements for Mortgages Pending Closing or Endorsement in Presidentially-Declared Major Disaster Areas. FHA’s current policy requires that a damage inspection be performed following the close of the Incident Period as defined by the Federal Emergency Management Agency (FEMA).

- FHA believes that the situations in certain counties in California have stabilized to the extent that further damage to the properties appear unlikely, despite FEMA not having closed its Incident Period for the PDMDAs in these four areas. However, mortgagees should continue to monitor FEMA’s website to ascertain the latest information on these PDMDAs as additional municipalities or counties could be added to them until the Incident Periods have closed.

- These waivers do not affect mortgagees’ obligations to exercise prudent lending practices and ensure that mortgages they submit for endorsement fully comply with FHA’s property eligibility requirements, as well as any property condition requirements related to claims processing.

   — The California “Wildfires” waivers are posted at: https://www.hud.gov/sites/dfiles/Main/documents/CAWildfires_Inspection_waiver.pdf

Mortgagees can find more information about FHA’s PDMDA policies, as well as the 203(h) Mortgage Insurance for Disaster Victims Program and the 203(k) Rehabilitation Mortgage Insurance Program, on the FHA Resource Center’s Online Knowledge Base.

Quick Links

- Waivers for California can be viewed at: https://www.hud.gov/program_offices/administration/hudclips/waivers/
- View the status of Incident Periods on the FEMA Disasters web page at: [https://www.fema.gov/disasters](https://www.fema.gov/disasters)

### 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](http://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

<table>
<thead>
<tr>
<th>FHA INFO Archives:</th>
<th>Visit the <a href="http://www.hud.gov/answers">FHA INFO Archives</a> to access FHA INFO messages issued from 2012 to the present.</th>
</tr>
</thead>
</table>
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aaa@xyz.com  
bbb@xyz.com  
ccc@xyz.com  
To Unsubscribe follow the unsubscribe instructions on that page. |
| Resource Links: | FHA Archived Webinars  
Career Opportunities  
Contracting Opportunities  
Events & Training  
FHA Forms  
FHA Homeownership Centers  
FHA Mortgagee Letters  
Foreclosure Assistance  
Grant Opportunities  
HUD Homes - Property Listings  
HUD.gov  
Making Home Affordable  
Presidentially-Declared Major Disaster Areas  
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