



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING
FEDERAL HOUSING COMMISSIONER

Date: December 17, 2020

Mortgagee Letter 2020-47

To: All FHA-Approved Mortgagees
All Direct Endorsement Underwriters
All FHA Roster Appraisers
All FHA-Approved 203(k) Consultants
All HUD-Approved Housing Counselors
All HUD-Approved Nonprofit Organizations
All Governmental Entity Participants
All Real Estate Brokers
All Closing Agents

Subject Extension of Re-verification of Employment and Exterior only Appraisal scope of work option for Federal Housing Administration (FHA) Single Family programs impacted by the Coronavirus Disease of 2019 (COVID-19).

Purpose The purpose of this Mortgagee Letter (ML) is to announce the extension of the re-verification of employment guidance in ML 2020-05; and extend the Exterior-Only Appraisal inspection option in ML 2020-37.

Effective Date The continuation of re-verification of employment guidance in ML 2020-05 is effective immediately for cases closed on or before February 28, 2021.

The extension of the Exterior-Only Appraisal inspection option in ML 2020-37 is effective immediately for appraisals with an effective date on or before February 28, 2021.

Policy updates in this ML are temporary and will not be incorporated into the Department of Housing and Urban Development (HUD) Single Family Housing Policy Handbook 4000.1.

Public Feedback HUD welcomes feedback from interested parties for a period of 30 calendar days from the date of issuance. To provide feedback on this policy document, please send feedback to the FHA Resource Center at answers@hud.gov. HUD will consider the feedback in determining the need for future updates.

Mortgagee Letter 2020-47, Continued

Affected Programs

These changes apply to FHA Single Family Title II Forward and Reverse Mortgage Programs.

Background

On March 13, 2020, President Trump declared a national emergency concerning the COVID-19 outbreak and initiated actions to stem the threat to public health and the American economy. On March 27, 2020, HUD published ML 2020-05, through which the Secretary of HUD authorized flexibilities to the re-verification of employment and Acceptable Appraisal Reporting Forms and Protocols by allowing exceptions for Exterior-Only and Desktop Appraisal inspections in certain transactions.

The effective date of the re-verification of employment guidance in ML 2020-05 has been re-extended in ML 2020-14, ML 2020-20, ML 2020-28, and ML 2020-37. The effective date of the Appraisal scope of work options guidance in ML 2020-05 has been re-extended in ML 2020-14, ML 2020-20, and ML 2020-28.

On October 28, 2020, HUD published ML 2020-37, which limited the Appraisal scope of work inspection options to the Exterior-Only Appraisal. The Desktop-Only Appraisal option was discontinued for Appraisals with an effective date on or after November 1, 2020

Due to the continuing national emergency caused by the COVID-19 pandemic, HUD is issuing this ML to extend the re-verification of employment guidance issued in ML 2020-05 and extend the Exterior-Only Appraisal inspection option announced in ML 2020-37.

Summary of Changes

This ML extends the effective date of FHA's re-verification of employment guidance in ML 2020-05, and extends the effective date of the Exterior-Only Appraisal inspection option announced in ML 2020-37.

Paperwork Reduction Act

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Numbers 2502-0538, 2502-0524, and 2502-0059. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB Control Number.

Mortgagee Letter 2020-47, Continued

Questions

Any questions regarding this Mortgagee Letter may be directed to the FHA Resource Center at 1-800-CALL-FHA. Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339. For additional information on this Mortgagee Letter, please visit www.hud.gov/answers.

Signature

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Federal Housing Commissioner