



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

ASSISTANT SECRETARY FOR HOUSING
FEDERAL HOUSING COMMISSIONER

Date: March 15, 2021

Mortgagee Letter 2021-09

To: All FHA-Approved Mortgagees
All Direct Endorsement Underwriters
All Eligible Submission Sources for Condominium Project Approvals
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 Announcement of Revised Form HUD-9991, FHA Condominium Loan Level/Single-Unit Approval Questionnaire and Revised Form HUD-9992, FHA Condominium Project Approval Questionnaire

Purpose This Mortgagee Letter announces the publication of revised Form HUD-9991, FHA Condominium Loan Level/Single-Unit Approval Questionnaire (HUD-9991) and revised Form HUD-9992, FHA Condominium Project Approval Questionnaire (HUD-9992).

Effective Date Mortgagees may utilize the revised forms immediately and must use the revised Form HUD-9991 for case numbers assigned on or after May 17, 2021 and must use the revised Form HUD-9992 for initial project approval and recertifications submitted on or after May 17, 2021.

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.

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Affected Programs

Form HUD-9991 is used to process Single-Unit and Loan Level Approvals for both forward mortgages and Home Equity Conversion Mortgages (HECM) and Form HUD-9992 is used to process Condominium Project Approval applications.

Background

Forms HUD-9991 and HUD-9992 were published in the Federal Register on August 15, 2019 as part of the Condominium Project Approval Final Rule. Both forms were approved under OMB Approval Number 2502-0610 for optional use October 15, 2019, with a required use date beginning January 2, 2020.

On January 31, 2020, a 60-Day Notice of Proposed Information Collection seeking comment from interested parties on the revision of Forms HUD-9991 and HUD-9992 was published in the Federal Register and, subsequently, a 30-Day Notice of Proposed Information Collection was published in the Federal Register on July 31, 2020 also seeking public comment.

This revision allows HUD to update both forms with public feedback and remain compliant with the Paperwork Reduction Act, while continuing to implement key provisions of the new guidance for Condominium Project Approvals and Single-Unit/Loan Level Approvals.

Summary of Changes

HUD used comments received from the public to revise content in both forms, which includes the consolidation and elimination of questions. In addition, both forms were restructured to be more user-friendly.

Major changes to both forms include:

- Allowing data collected on the questionnaire to be no more than 90 days old prior to the questionnaire being signed.
 - Developed instructions to explain how questions should be answered and included Single Family Housing Policy Handbook 4000.1 section references.
 - Removed the requirement that the Condominium Association must complete the forms and sign the certification on the forms. If the ‘Submitter’ of Form HUD-9992 is the Condominium Association, then they will still need to complete the certification.
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Summary of Changes- Continued

Major changes to Form HUD-9991 include:

- Removed Section 2.c. Management Company.
- Restructured Section 3.a. Occupancy Requirements by Construction Type.
- Relocated 3.e.2. Hazard Insurance and 3.e.3. Flood Insurance to Section 4.d. Additional Insurance Requirements for Single-Unit Approval.
- Removed Section 3.f. Required Documentation for All Units (Loan Level and Single-Unit Approval). (Mortgagee must still submit required documentation as outlined in the Single-Family Housing (SFH) Policy Handbook 4000.1.)
- Removed Section 4.g. Additional Required Documentation for Single-Unit Approval. (Mortgagee must still submit required documentation as outlined in the Single-Family Housing (SFH) Policy Handbook 4000.1.)

Major changes to Form HUD-9992 include:

- Consolidated Section 3. Project Eligibility and Section 4. Eligibility Worksheet for Condominium Project Approval.
- Combined Mortgagee Information and Submitter Information in Section 1 to allow a variety of respondents to complete the form.
- Removed questions 3.a.1. – 3. a.9. from Project Eligibility.
- Restructured Section 3.e. Occupancy Requirements by Construction Type.
- Consolidated data collection and eligibility determination for the following sections: Legal Phasing, Units in Arrears, Individual Owner Concentration, Occupancy Requirements by Construction Type, Financial Stability and Controls, Commercial/Non-Residential Space, Litigation, Leasehold Interest, Transfer of Control, Insurance Requirements, and Legal Restrictions on Conveyance.
- Removed Section 3.k. Required Documentation for the Condominium Association and 4.s. Required Documentation for the Submitter. (Mortgagee must still submit required documentation as outlined in the Single-Family Housing (SFH) Policy Handbook 4000.1.)

Changes to the Forms do not alter requirements found in the Single Family Housing Policy Handbook 4000.1.

Both revised forms have been posted to HUD's Client Information Policy Systems (HUDCLIPS) at the following link:

https://www.hud.gov/program_offices/administration/hudclips

Mortgagee Letter 2021-09, Continued

**Single Family
Housing Policy
Handbook
4000.1**

There are no changes to Single Family Housing Policy Handbook 4000.1.

**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 2502-0610. 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.

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

Lopa P. Kolluri
Principal Deputy Assistant Secretary
Office of Housing - Federal Housing Administration