



ASSISTANT SECRETARY FOR HOUSING  
FEDERAL HOUSING COMMISSIONER

**Date: September 15, 2021**

**Mortgagee Letter 2021-23**

**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

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**Subject** Mandatory Transition to the Federal Housing Administration (FHA)  
Catalyst: Electronic Appraisal Delivery (EAD) Module for FHA Single  
Family Appraisals.

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**Purpose** This Mortgagee Letter (ML) announces the mandatory use date for the FHA  
Catalyst: EAD Module for all Single Family origination appraisal deliveries  
as well as the expanded availability for the delivery of Home Equity  
Conversion Mortgage (HECM) appraisals.

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**Effective Date** Effective on and after March 14, 2022, appraisal delivery through the FHA  
Catalyst: EAD Module is mandatory for all cases unless a previous appraisal  
version has been submitted to the legacy EAD.

For cases with a previous appraisal submission to the legacy EAD before  
March 14, 2022, appraisal resubmissions may continue to be delivered  
through the legacy EAD portal until April 15, 2022.

After April 15, 2022, appraisal submissions for all cases, regardless of  
previous submissions, must be delivered through the FHA Catalyst: EAD  
Module.

Mortgagees may begin using the FHA Catalyst: EAD Module for HECM  
appraisal delivery immediately.

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## Mortgagee Letter 2021-23, Continued

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All policy updates will be incorporated into a forthcoming revision of the FHA Single Family Housing Policy Handbook 4000.1 (Handbook 4000.1).

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### **Affected Programs**

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

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### **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](mailto:answers@hud.gov). HUD will consider the feedback in determining the need for future updates.

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### **Background**

On March 26, 2015, FHA announced implementation of EAD as the FHA portal for electronic delivery of appraisals and required use of EAD for all case numbers assigned on and after June 27, 2016. FHA also introduced the FHA Appraisal Report and Data Delivery Guide as the required data and file format and delivery instructions for reporting the appraisal results.

As part of FHA's information technology modernization initiative, on August 18, 2020, FHA announced the availability of the Catalyst: EAD Module in ML 2020-26 for FHA Single Family forward mortgages. ML 2020-26 stated that the availability date was the start of a transition period to the FHA Catalyst: EAD Module and that a mandatory use date would be announced at a later date. The transition period was intended to encourage Mortgagees and their designated technology service providers to make the necessary adjustments to their system and processes, including onboarding activities, in preparation for the announcement of the mandatory use date for the FHA Catalyst: EAD Module. FHA is now moving to establish the mandatory use date for all appraisals and provide the capability to accept appraisals for HECM mortgage cases.

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### **Summary of Changes**

This ML announces the mandatory use date of the FHA Catalyst: EAD Module for all forward and HECM Single Family origination electronic appraisal deliveries and the immediate availability of the FHA Catalyst: EAD Module for delivery of HECM appraisals.

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### **FHA Catalyst: EAD Module Overview and Functionality**

The FHA Catalyst: EAD Module provides an electronic platform for Mortgagees to deliver FHA appraisals required for loan endorsement. The system receives electronic appraisals through direct integration or direct submission and performs verifications and validations on the appraisals submitted through its portal.

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## Mortgagee Letter 2021-23, Continued

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### **Availability of FHA Catalyst: EAD Module for HECM Appraisals**

Mortgagees may begin using FHA Catalyst: EAD Module for HECM appraisal submissions immediately.

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### **Mandatory Transition to FHA Catalyst: EAD Module**

Effective on and after March 14, 2022, appraisal delivery through the FHA Catalyst: EAD Module is mandatory for all cases unless a previous appraisal version has been submitted to the legacy EAD.

For cases with a previous appraisal submission to the legacy EAD before March 14, 2022, all resubmissions may continue to be delivered through the legacy EAD portal until April 15, 2022.

After April 15, 2022, appraisal submissions for all cases, regardless of previous submissions, must be delivered through the FHA Catalyst: EAD Module.

Until further notice, FHA Catalyst: EAD Module only accepts appraisal resubmissions initiated in the Catalyst: EAD Module.

Mortgagees remain responsible for ensuring they meet FHA's requirements and standards for appraisal submissions, including access to the FHA Catalyst: EAD Module.

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### **FHA Catalyst: EAD Module Access and Registration**

Current EAD users will be automatically pre-registered in the Catalyst: EAD Module by FHA. These users will receive an email from [FHACatalyst@hud.gov](mailto:FHACatalyst@hud.gov) with instructions on how to complete their registration.

New users seeking access to the FHA Catalyst: EAD Module must have their FHA Connection Application Coordinator email the completed [External User Access Request Form](#) to [answers@hud.gov](mailto:answers@hud.gov). This form may also be used to modify or terminate user access. The existing EAD Administrator function is not available in the FHA Catalyst: EAD Module at this time.

Mortgagees or their technology service providers seeking to establish direct integration access to the FHA Catalyst: EAD Module will be onboarded in waves. The waves are tentatively scheduled for October, November, and December.

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To sign-up for a direct integration wave, Mortgagees or technology service providers must email [answers@hud.gov](mailto:answers@hud.gov), with the subject line: “Catalyst EAD Module Wave Registration”.

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### User Guide and Training

A [User Guide](#) for FHA Catalyst: EAD Module is available to assist external users with navigating the module. Web-based on-demand training will be announced in the near future.

Mortgagees and/or designated technology service providers are strongly encouraged to familiarize themselves with the User Guide and complete the training before accessing the FHA Catalyst: EAD Module.

Application Programming Interface (API) developers can contact the FHA Resource Center at [answers@hud.gov](mailto:answers@hud.gov) to obtain a copy of the developer’s guide, which defines the supported data standards for electronic appraisal submissions to the FHA Catalyst: EAD Module.

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### Single Family Housing Policy Handbook 4000.1

Policy changes will be incorporated into Handbook 4000.1 Section II.A.1.a.iii(B)(11) Appraisal Delivery – Electronic Appraisal Delivery, and appear as follows:

#### **(11) Appraisal Delivery – Electronic Appraisal Delivery**

##### **(a) Definition**

The Electronic Appraisal Delivery (EAD) is a web-based platform where Mortgagees or their designated **technology** service providers electronically deliver FHA Single Family appraisal reports prior to endorsement.

##### **(b) Standard**

Mortgagees or their designated **technology** service providers must deliver appraisals through the **FHA Catalyst: EAD Module**.

##### **(c) Required Documentation**

Appraisals submitted through the **FHA Catalyst: EAD Module** are the appraisals required for endorsement.

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### 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 2502-0059, 2502-0538 and 2502-0524. 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.

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### 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](http://www.hud.gov/answers).

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### Signature

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Principal Deputy Assistant Secretary  
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