Date: February 15, 2022

Mortgagee Letter 2022-04

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
Update to the Mandatory Use Date for the Federal Housing Administration (FHA) Catalyst: Electronic Appraisal Delivery (EAD) Module.

Purpose
This Mortgagee Letter (ML) announces an extension of the mandatory use dates in ML 2021-23, Mandatory Transition to the FHA Catalyst: EAD Module.

Revised Effective Date for ML 2021-23
The mandatory use dates announced in ML 2021-23 are extended as follows:

Effective on and after March 14, 2023, appraisal delivery through the FHA Catalyst: EAD Module is mandatory for all cases unless a previous appraisal version was submitted to the legacy EAD.

For cases with a previous appraisal submission to the legacy EAD before March 14, 2023, appraisal resubmissions may continue to be delivered through the legacy EAD portal until April 17, 2023.

After April 17, 2023, appraisal submissions for all cases, regardless of previous submissions, must be delivered through the FHA Catalyst: EAD Module.
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.

Affected Programs

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

Background

On September 15, 2021, HUD announced the mandatory use date for the FHA Catalyst: EAD Module for all Single Family origination appraisal deliveries as well as the expanded availability of the FHA Catalyst: EAD Module for the delivery of Home Equity Conversion Mortgage (HECM) appraisals. This transition is part of FHA’s information technology modernization initiative which seeks to integrate FHA systems to the FHA Catalyst platform.

FHA stakeholders have expressed concern with the existing timeline for the mandatory use of FHA Catalyst: EAD. FHA acknowledges and is receptive to the comments shared by these industry partners. Therefore, FHA is extending the mandatory use date of the FHA Catalyst: EAD Module. During this additional period, Mortgagees and Technology Service Providers are encouraged to continue their integration with and usage of the FHA Catalyst: EAD Module for all forward and HECM Single Family origination electronic appraisal deliveries.

Paperwork Reduction Act

The Information Collection requirements for the FHA Catalyst: EAD Module is pending OMB approval. 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