

# Request for Waiver of Housing Directive

U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0029  
(Expires 04/30/2020)

1. Field Office Office of Lender Activities and Program Compliance	2. Program and DAS (e.g., multifamily development) Office of Single Family Housing				
3. Waiver Requested by (person, entity, HUD employee) John S. Higgins, Director HQ Quality Assurance Division					
4. Waiver Item (directive number, date, page, paragraph, etc.) Handbook 4000.1 V.A.3.a.i(C) and V.A.3.a.iv(B)(2)  Relief Sought  A limited waiver of FHA quality control requirements for Early Payment Defaults described in Handbook 4000.1 Sections V.A.3.a.i(C) and V.A.3.a.iv(B)(2) applicable to FHA-insured mortgages that a) are located in the Presidentially-Declared Major Disaster Area (PDMDA) for Texas Severe Storms, Straight-Line Winds, and Flooding (DR-4879-TX), b) have a mortgage Closing Date before the Incident Period start date of July 2, 2025, and c) become Early Payment Defaults between August 1, 2025 and January 31, 2026.					
5. Did a check of SharePoint indicate Prior Approval of a factually similar waiver?" <table><tr><td><input checked="" type="checkbox"/></td><td>Yes (skip No. 6)</td></tr><tr><td><input type="checkbox"/></td><td>No (go to No. 6)</td></tr></table>	<input checked="" type="checkbox"/>	Yes (skip No. 6)	<input type="checkbox"/>	No (go to No. 6)	If previously approved, give Counsel's name and date of approval. Benjamin Litchfield, 1/24/2025
<input checked="" type="checkbox"/>	Yes (skip No. 6)				
<input type="checkbox"/>	No (go to No. 6)				
6. Counsel Determination. The Waiver Proposal <b>does not conflict</b> <input checked="" type="checkbox"/> <b>conflicts</b> <input type="checkbox"/> with statutory or regulatory provisions (cite rule or provision)					

Counsel (signature) <b>Benjamin M. Litchfield</b> Digitally signed by Benjamin M. Litchfield Date: 2025.07.07 19:19:17 -04'00'	Date July 7, 2025
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7. Employee Justification (attach additional pages if necessary)

FHA requires Mortgagees to select Early Payment Defaults (EPDs) for review on a monthly basis. EPDs are FHA-insured mortgages that become 60 days delinquent within the first six payments. The Mortgagee must perform a quality control review for all EPD selections to confirm that the Mortgagee complied with FHA Single Family origination and underwriting requirements.

FHA anticipates an increase in EPDs for properties impacted by the Texas Severe Storms, Straight-Line Winds, and Flooding disaster. For mortgages that closed prior to the Incident Period and become EPDs in the months after, defaults are likely to be the result of loss of employment/income, property damage, forced relocation, and other factors unrelated to non-compliance with FHA Single Family origination and underwriting requirements. Therefore, FHA is waiving its requirements in Handbook 4000.1 Sections V.A.3.a.i(C) and V.A.3.a.iv(B)(2) for FHA-insured mortgages that meet the criteria stated above. Mortgagees must continue to meet all other loan level quality control program requirements in Handbook 4000.1 Section V.A.3.

Field Office Concurrence		
Name	Title	Date
8. <input checked="" type="checkbox"/> Granted <input type="checkbox"/> Not Granted	Housing Director (signature) <b>JULIE SHAFFER</b> Digitally signed by: JULIE SHAFFER DN: CN = JULIE SHAFFER C = US O = U.S. Government OU = Department of Housing and Urban Development, Office of Administration Date: 2025.07.08 20:13:04 -04'00'	Date
Comments		

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Original to Field Office;  
One copy to each of the following: Director, Organizational Policy, Planning and Analysis Division, Room 9116, HUD Headquarters, HRO  
Assistant General Counsel, Multifamily Mortgage Division, HUD Headquarters, Room 9230, CAHAA  
And one copy to either of the following: Office of the Deputy Assistant Secretary for Single Family Housing, Room 9282, HUD Headquarters, HU  
Office of the Deputy Assistant Secretary for Multifamily Housing, Room 6106, HUD Headquarters, HT