

# 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, Quality Assurance Division	
4. Waiver Item (directive number, date, page, paragraph, etc.) FHA Single Family Housing Policy Handbook 4000.1, Sections V.A.3.a.i(C), V.A.3.a.iv(B)(2) and V.A.3.c.ii(C)(1)(b)  Relief Sought  A temporary partial waiver of FHA Loan Level Quality Control (QC) Program Requirements in Handbook 4000.1, Sections V.A.3.a.i(C), V.A.3.a.iv(B)(2) and V.A.3.c.ii(C)(1)(b) due to the COVID-19 National Emergency. Under this waiver, Mortgagees are not required to conduct QC reviews, including field reviews of appraisals, for Early Payment Defaults (EPDs) that would have been selected as part of a Mortgagee's August 2020 QC selections, provided that the Mortgages were reported to FHA using the Single Family Default Monitoring System (SFDMS) Delinquency and Default Reason Code 055 – Related to National Emergency Declaration.	
5. Did a check of SharePoint indicate Prior Approval of a factually similar waiver? <input type="checkbox"/> Yes (skip No. 6) <input checked="" type="checkbox"/> No (go to No. 6)	If previously approved, give Counsel's name and date of approval.
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>Sherece Tolbert</b>	Digitally signed by Sherece Tolbert Date: 2020.08.25 15:51:47 -04'00'	Date August 25, 2020
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7. Employee Justification (attach additional pages if necessary)

FHA requires Mortgagees to select and review EPDs on a monthly basis. Handbook 4000.1, Section V.A.3.a.iv(B)(1) defines EPDs as FHA-insured Mortgages that become 60 days delinquent within the first six payments. Mortgagees must review all EPDs to ensure that each Mortgage complied with FHA Single Family origination and underwriting requirements. Mortgagees must also conduct targeted field reviews of appraisals on all EPDs.

As a result of the COVID-19 National Emergency, FHA continues to observe an elevated number of EPDs nationwide. Many recent EPDs have been reported to FHA using SFDMS Delinquency and Default Reason Code 055 – Related to National Emergency Declaration, which indicates that the Mortgagee granted forbearance relief under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Therefore, FHA is providing a temporary partial waiver of requirements found in Handbook 4000.1, Sections V.A.3.a.i(C), V.A.3.a.iv(B)(2) and V.A.3.c.ii(C)(1)(b). With this waiver, Mortgagees are not required to conduct QC reviews, including field reviews of appraisals, for EPDs that would have been selected as part of the Mortgagee's August 2020 QC selections, provided that the Mortgages have been reported using SFDMS Delinquency and Default Reason Code 055. Mortgagees must review all other EPDs that would have been included in their August QC selections, and must continue to meet all other QC requirements in Handbook 4000.1, Section V.A.3.

Field Office Concurrence		
Name Joy Hadley	Title Director, Office of Lender Activities and Program Compliance	Date 8/26/2020
8. <input checked="" type="checkbox"/> Granted <input type="checkbox"/> Not Granted	Housing Director (signature) <b>JOY HADLEY</b>	Date Digitally signed by JOY HADLEY Date: 2020.08.26 09:08:31 -04'00'

Comments

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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