



OFFICE OF SINGLE FAMILY HOUSING

FEDERAL HOUSING ADMINISTRATION



HUD Handbook 4000.1

FHA Single Family Housing Policy Handbook

FHA Single Family Housing Policy Handbook (Handbook 4000.1) Overview

11/28/2023



OFFICE OF SINGLE FAMILY HOUSING



Learning Objectives

By the end of this session, you should be able to understand:

- The benefits of HUD Handbook 4000.1, *FHA Single Family Housing Policy Handbook* (Handbook 4000.1)
- Where to access the Handbook and related artifacts online
- How to read Mortgagee Letters (ML) in the context of the Handbook
- The structure and style of the Handbook, including organization of parts, capitalization of Glossary terms, and highlighting of new policy
- The purpose of a Transmittal letter and how to locate updates to Handbook 4000.1 content

Agenda

Handbook 4000.1 Overview

Format and Style

Structure

Resources

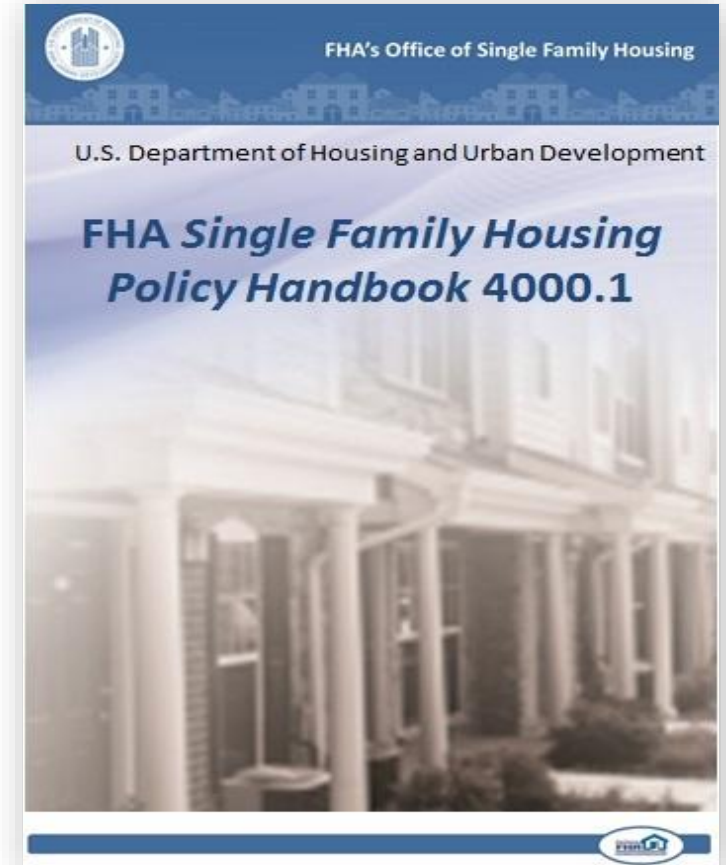


Handbook 4000.1 Overview



What is Handbook 4000.1?

- Single, authoritative source for Single Family Housing policy
- Published for the first time on September 30, 2014
- Updates are published regularly
- Available in multiple formats for variety of access points



Benefits of Handbook 4000.1

Handbook 4000.1 offers a single, comprehensive source of information that eliminates a labor-intensive process to find precise policy information.

Consolidated	Consistent	Logical
Hundreds of policy documents are consolidated into a single-source document.	All topics are standardized in format, style, and terminology.	Topics follow the logical flow of the stakeholder’s process and how they do business with FHA.

Accessing Handbook 4000.1

[Home](#) / [Program Offices](#) / [Housing](#) / [Single Family](#) / [Handbook 4000-1](#)

If you experience issues opening PDF documents on this page using Internet Explorer, try using a different web browser.

SINGLE FAMILY HOUSING POLICY HANDBOOK 4000.1 **(SF HANDBOOK) INFORMATION PAGE**

The Federal Housing Administration's (FHA) *Single Family Housing Policy Handbook* 4000.1 (SF Handbook) is a consolidated, consistent, and comprehensive source of FHA Single Family Housing policy.

- **Consolidated:** Hundreds of FHA Handbooks, Mortgagee Letters, Housing Notices, and other policy documents have been consolidated into this single source. This eliminates the need for mortgagees and other stakeholders in FHA transactions to search through multiple stand-alone policy documents to find precise and current policy information.
- **Consistent:** The SF Handbook's consistent format of "Definition, Standard, and Documentation" supports greater understanding, easier use, and a better source for mortgagees to extend the wide range of FHA products and programs across a broader spectrum of eligible borrowers.
- **Comprehensive:** The SF Handbook is well on its way to becoming a comprehensive source of Single Family Housing policy. While not yet complete, the SF Handbook currently has everything a lending entity needs to become FHA approved; to originate and receive an FHA insurance endorsement; to service; and to adhere to FHA's quality control policies for almost all Title II forward mortgages—the bulk of FHA volume.

Two Ways to Access the SF Handbook

Stakeholders and the public can access the SF Handbook's published sections in two ways:

- **FHA's Online Housing Policy Library**, which contains: a fully searchable, online version of the SF Handbook; a growing

SF Handbook 4000.1



[Online SF Handbook](#)

[Portable Document
Format \(PDF\) SF
Handbook](#)

Updates, Revisions, Notifications

- August 9, 2023 SF Handbook Update Redline version. [Read More](#)

Supplemental Documents

- SF Handbook [Supplemental Documents](#)
- [Model Documents](#) and [203\(k\) Sample Documents](#)

SF Handbook Pre-Recorded Training Webinars

View FHA's series of nine self-paced, pre-recorded training webinars. [Provide Feedback](#)

https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1



OFFICE OF SINGLE FAMILY HOUSING

Accessing Handbook 4000.1 - HUDCLIPS

[Home](#) / [Program Offices](#) / [Chief Human Capital Officer](#) / [HUDCLIPS](#) / [Handbooks](#) / [Housing Handbooks](#)

HOUSING HANDBOOKS

If you experience issues opening PDF documents on this page using Internet Explorer, try using a different web browser.

Access **Housing Handbooks** superseded in full by *Single Family Housing Policy Handbook 4000.1* (SF Handbook)

▸ 1060.3

[Byrd Amendment - Limitations on Payments](#)

▸ 2226.1

[Single Family Mortgage Insurance Case Binder Submission, Maintenance](#)

▸ 4000.1

[FHA Single Family Housing Policy Handbook](#) (Online)

Handbook update published on August 9, 2023, and effective November 7, 2023.

- [FHA Single Family Housing Policy Handbook](#) (PDF)

- [Glossary/Acronyms](#) (PDF)

Prior versions of FHA Single Family Housing Policy Handbook are available in the [online archive](#)

Access
Handbook
4000.1.

Access the
Glossary and
Acronyms.

Access
archived
versions of
Handbook
4000.1.

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



OFFICE OF SINGLE FAMILY HOUSING

Accessing Handbook 4000.1 - Online

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Click to expand or collapse a section.

Search by keyword or Guideline section or mortgage type

ADVANCED SEARCH
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▼ 4000.1: FHA Single Family Housing Policy Handbook

Transmittal: Handbook 4000.1 (01/18/23)

▼ I. DOING BUSINESS WITH FHA

▼ A. FHA LENDERS AND MORTGAGEES (09/20/21)

A. FHA LENDERS AND MORTGAGEES (09/20/21)

► 1. Types of Program Approvals (09/14/15)

FHA SINGLE FAMILY HOUSING POLICY LIBRARY > 4000.1: FHA Single Family Housing Policy Handbook > 4000.1: FHA Single Family Housing Policy Handbook > I. DOING BUSINESS WITH FHA > A. FHA LENDERS AND MORTGAGEES (09/20/21)

FHA SINGLE FAMILY HOUSING POLICY LIBRARY : 4000.1: FHA Single Family Housing Policy Handbook

A. FHA LENDERS AND MORTGAGEES (09/20/21)

- Update History 06/29/22
- Update History 11/09/21
- Update History 10/26/21
- Update History 04/19/21

A. FHA LENDERS AND MORTGAGEES (09/20/21)

The Doing Business with FHA section in this *FHA Single Family Housing Policy Handbook* (Handbook 4000.1) covers Federal Housing Administration (FHA) approval for both Title I Lenders and Title II Mortgagees, as well as other FHA program participants. The term "Mortgagee" is used throughout for all types of FHA approval (both Lenders) and the term "Mortgage" is used for all products (both Title II Mortgages and Title I Loans), unless otherwise specified.

A Mortgagee must fully comply with all of the following approval and eligibility requirements in order to be approved by FHA to participate in the origination, underwriting, servicing, purchasing, holding, or selling of FHA-insured Title I Loans or Title II Mortgages at the time of approval and at all times after approval.

The requirements outlined below in subsections 1 through 9 apply to both Single Family (one-to four-units) and Multifamily Mortgagees. If there are any exceptions that differ from those set forth below, the exceptions or alternative program requirements are explicitly stated or hyperlinked to the appropriate guidance. Terms and conditions of Handbook 4000.1 have their meanings defined in the [Glossary](#) and [Acronyms](#) and in the specific section of Handbook 4000.1 in which the definitions are located.



Accessing Handbook 4000.1 - PDF

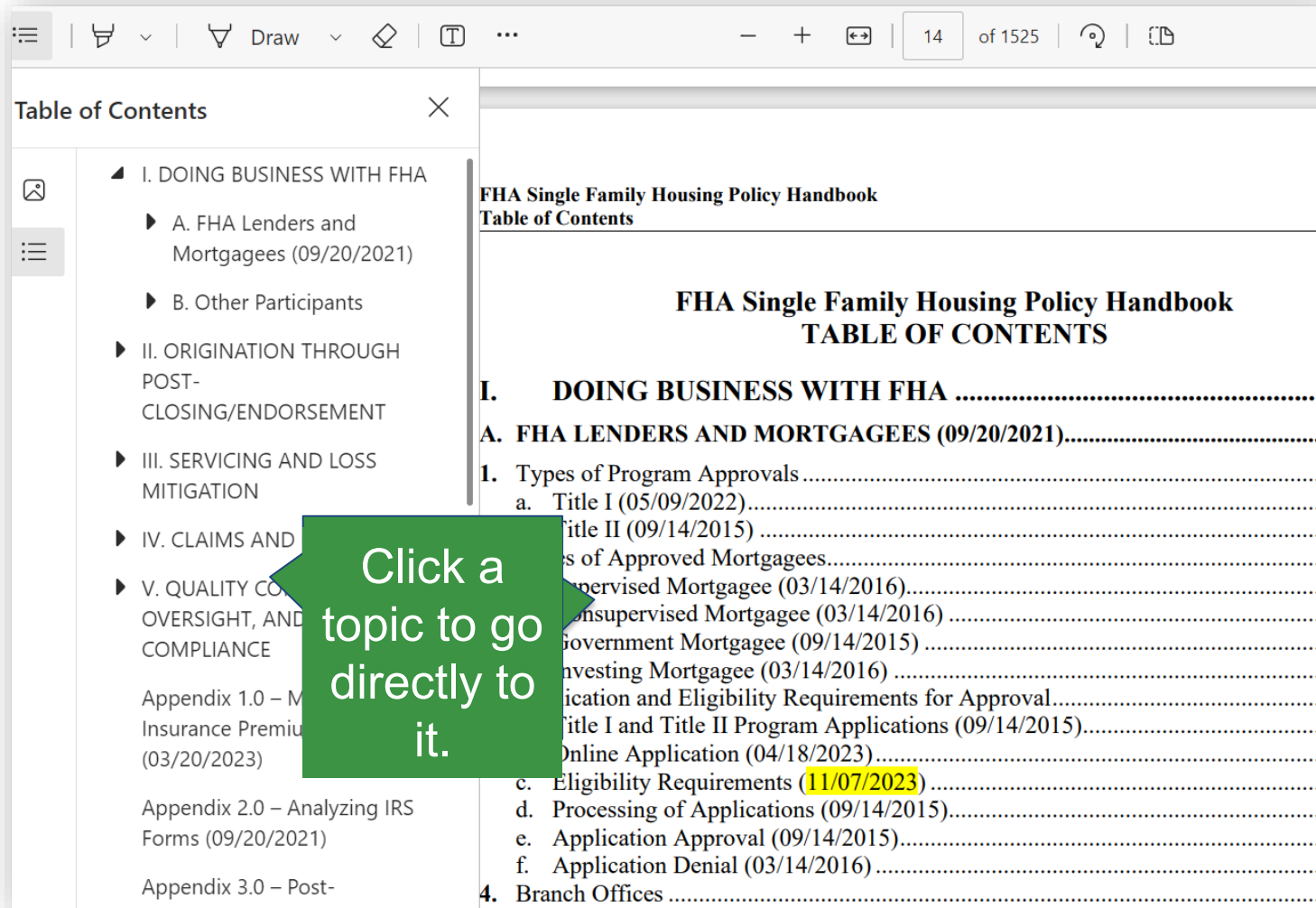


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Unsupervised Mortgagee (03/14/2016)

Government Mortgagee (09/14/2015)

Investing Mortgagee (03/14/2016)

Application and Eligibility Requirements for Approval

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d. Processing of Applications (09/14/2015)

e. Application Approval (09/14/2015)

f. Application Denial (03/14/2016)

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Click a topic to go directly to it.

I. DOING BUSINESS WITH FHA

A. FHA Lenders and Mortgagees

2. Types of Approved Mortgagees

a. Supervised Mortgagee

i. Definitions

(A) Supervised Mortgagee

A Supervised Mortgagee is a financial institution that is a member of the Federal Reserve System (FRS) or whose accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (collectively, "Federal Banking Agencies").

(B) Large Supervised Mortgagee

A Large Supervised Mortgagee is a Supervised Mortgagee that has assets greater than or equal to the threshold for audited financial reporting by the Federal Banking Agency with oversight of the Mortgagee, as codified at [12 CFR §§ 363.1\(a\), 562.4\(b\)\(2\) and 715.4\(c\)](#), and are

(C) Small Supervised Mortgagee

A Small Supervised Mortgagee is a Supervised Mortgagee that has assets below the threshold for audited financial reporting by the Federal Banking Agency with oversight of the Mortgagee, as codified at [§§ 363.1\(a\), 562.4\(b\)\(2\), and 715.4\(c\)](#).

ii. Standard

A Supervised Mortgagee must meet the following standard:

iii. Activities Authorized

Click blue links to access other information.

Accessing Glossary and Acronyms

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The site contains the authoritative version of the Single Family Housing Policy Handbook (SF Handbook 4000.1).

USER QUICK GUIDE

Below are some helpful tips for using the Single Family Housing Policy Handbook (Handbook 4000.1):

1. Handbook 4000.1 is organized in the following manner:
2. Effective dates are shown at the end of each section.
3. Yellow highlighted text indicates the current version of the handbook.
4. Capitalization of words in Handbook 4000.1 follows the following guidelines:

GLOSSARY

30-Day Account
A 30-Day Account refers to a credit arrangement that requires the Borrower to pay off the outstanding balance on the account every month.

30-Day Advance Prepayment Notice Period
The 30-Day Advance Prepayment Notice Period refers to the time requirement for the Borrower to provide advance notice to the Mortgagee for prepayment of an FHA-insured Mortgage insured prior to August 2, 1985.

90-Day Review
The 90-Day Review is a Mortgagee's required evaluation, occurring before four monthly installments are due and unpaid, of a Defaulted Mortgage for appropriate Loss Mitigation Options.

A

Acceptable Conveyance Condition
An Acceptable Conveyance Condition refers to the required condition of a Property at the time of conveyance to HUD.

Accessory Dwelling Unit (ADU)
An Accessory Dwelling Unit (ADU) refers to a habitable living unit added to, created within, or detached from a primary one-unit Single Family dwelling, which together constitute a single interest in real estate. It is a separate additional living unit, including kitchen, sleeping, and bathroom facilities.

Accessing Handbook 4000.1 Archives

Search topics.

Click to expand or collapse a section.

Search by keyword or Guideline section or mortgage type

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► Single Family Housing Policy Handbook Supplemental Documents

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▼ Archive 4000.1 - 2022

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FHA SINGLE FAMILY HOUSING POLICY LIBRARY > 4000.1: FHA Single Family Housing Policy Handbook > Archive 4000.1 - 2023 > Archive 01/18/2023 > I. DOING BUSINESS WITH FHA > A. FHA LENDERS AND MORTGAGEES (09/20/21)

FHA SINGLE FAMILY HOUSING POLICY LIBRARY : 4000.1: FHA Single Family Housing Policy Handbook

A. FHA LENDERS AND MORTGAGEES (09/20/21)

ARCHIVE VERSION

- [Update History 06/29/22](#)
- [Update History 11/09/21](#)
- [Update History 10/26/21](#)
- [Update History 04/19/21](#)

A. FHA LENDERS AND MORTGAGEES (09/20/21)

The Doing Business with FHA section in this *FHA Single Family Housing Policy Handbook* (Handbook 4000.1) covers Federal Housing Administration (FHA) approval for both Title I Lenders and Title II Mortgagees, as well as other FHA program participants. The term "Mortgagee" is used throughout for all types of FHA approval (both Lenders) and the term "Mortgage" is used for all products (both Title II Mortgages and Title I Loans), unless otherwise specified.

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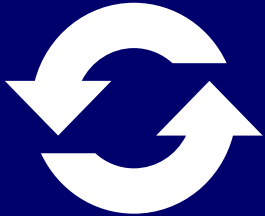
The requirements outlined below in subsections 1 through 9 apply to both Single Family (one-to four-units) and Multifamily Mortgagees. If there are any exceptions that differ from those set forth below, the exceptions or alternative program requirements are explicitly stated or hyperlinked to the appropriate guidance. Terms and 4000.1 have their meanings defined in the [Glossary](#) and [Acronyms](#) and in the specific section of Handbook 4000.1 in which the definitions are located.



Regular Updates



FHA incorporates policy updates and changes on a regular basis.



- Policy changes
- Additions
- Clarifications
- New sections
- Incorporation of change pages from other policy artifacts

Accessing Mortgagee Letters

The screenshot shows the HUD website's 'Resources' page. The 'Resources' link in the top navigation bar is circled in green. Below the 'RESOURCES' heading, there is a grid of links. A green arrow points from the 'Mortgagee Letters' link in the bottom right of the grid to the right-hand screenshot.

Home / Resources

RESOURCES

- Appraiser Selection by Lender
- Approved Appraisers
- Coronavirus Resources
- Customer Experience
- Fair Market Rents
- FHA Connection
- FHA Mortgage Limits
- Foreclosure Avoidance Counseling
- Frequently Asked Questions
- HUD Approved Condominium Projects
- HUD Approved Housing Counseling Agencies
- HUD Disaster Resources
- HUD.GOV Archives
- HUD Handbooks, Forms and Publications
- HUD Resource Locator
- Integrated Disbursement & Information System (IDIS)
- Lender Locator
- Mailing List
- Mortgagee Letters

The screenshot shows the 'FHA SINGLE FAMILY HOUSING POLICY LIBRARY' page. The 'ALL' tab is selected. Under the 'Mortgagee Letters - 2023' section, several links are listed. A green callout box with white text points to the 'Mortgagee Letters - 2023' section.

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- ▶ 4000.1: FHA Single Family Housing Policy Handbook
- ▼ Mortgagee Letters - 2023
 - [ML 2023-15: Modifications to FHA Home Equity Conversion Mortgage \(HECM\) Requirements Related to Secretary Payment of Borrower Disbursements Due to Mortgagee Default \(07/11/23\)](#)
 - [ML 2023-14: Revisions to Large Loan Risk Mitigation MAP Guide Policies \(06/28/23\)](#)
 - [ML 2023-13: Supplemental Consumer Information Form \(06/27/23\)](#)
 - [ML 2023-12: Eligibility of Outstanding Borrower Debt to be Refinanced with Insured Mortgage Proceeds Pursuant to Section 242 of the National Housing Act \(Section 242, Section 241, and Section 223\(f\)\) \(06/20/23\)](#)

Below are some helpful tips

1. Handbook 4000.1 is organized by...
2. Effective dates are shown in the...
3. Yellow highlighted text indicates...
4. Capitalization of words in titles...

Agency Announcements

FHA Revises Handbook

FHA revises the Single Family Housing Handbook the PDF version of the Handbook.

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



Mortgagee Letters

ML 2022-22

The policy changes will be incorporated into Handbook 4000.1 as follows:

Employees (I.A.3.c.iv(B)(3))

(b) Standard **[Text was deleted in this section.]**

(i) Eligibility of Employees

The Mortgagee must not employ any individual who will participate in FHA transactions if the individual is suspended, debarred, under a Limited Denial of Participation (LDP), or otherwise excluded from participation in FHA programs (see [Restricted Participation](#) (V.A.2.b.i(B))).

(ii) Compensation

The Mortgagee must not compensate employees who perform underwriting or Quality Control (QC) activities on a commission basis.

The Mortgagee must report all employee compensation in accordance with IRS requirements.

(iii) SAFE Act Compliance

The Mortgagee must ensure that it and its employees comply with the requirements of the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) (12 U.S.C. § 1501 et seq.), including the licensing and registration of its employees in the Nationwide Mortgage Licensing System ([NMLS](#)).

(iv) Conflicts of Interest

The Mortgagee's employees will be subject to FHA's [Conflict of Interest](#) policy.

This ML
deletes
published
Handbook
language.

New language
is highlighted.

Handbook 4000.1

I. DOING BUSINESS WITH FHA

A. FHA Lenders and Mortgagees (09/20/2021)

3. Application and Eligibility Requirements for Approval

The Mortgagee must report all employee compensation in accordance with IRS requirements.

(iii) SAFE Act Compliance

The Mortgagee must ensure that it and its employees comply with the requirements of the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) (12 U.S.C. § 1501 et seq.), including the licensing and registration of its employees in the [NMLS](#).

(iv) Dual Employment

The Mortgagee must require its employees to be its employees exclusively, unless the Mortgagee has determined that the employee's other outside employment, including any self-employment, does not create a prohibited conflict of interest.

(v) Conflicts of Interest

Employees are prohibited from having multiple roles in a single FHA-insured transaction. Employees are prohibited from having multiple sources of compensation, either directly or indirectly, from a single FHA-insured transaction.

(vi) Underwriters

The Mortgagee must ensure that its underwriters are not managed by and do not report to any individual who performs mortgage origination activities.

The Mortgagee must ensure that its underwriters:

- meet basic [Eligibility Requirements](#); and
- perform the underwriting function in a manner consistent with FHA guidelines.

Handbook 4000.1 Overview Summary



- Handbook 4000.1 is the consolidated, consistent, and logical source of Single Family Housing policy.
- Handbook 4000.1 and related artifacts are accessible both online and as a PDF.
- FHA intends to update the Handbook regularly.
- Check MLs for significant policy changes between published updates of the Handbook.

Format and Style

Format of Major Sections

Each major section follows a consistent format:

Definition – explains the term or policy

Standard – provides required action

Required Documentation – lists required documentation or documentation of actions

(2) Limited Liability Company

(a) Definition

A Limited Liability Company (LLC) is organized under applicable state law which creates a legal entity with a combination of the legal and tax attributes of corporations and partnerships.

(b) Standard

The LLC must:

- consist of two or more members, unless its single member is a corporation or LLC consisting of two or more persons or members;
- ensure each natural person is of legal age as recognized by the state of incorporation at the time such natural person becomes a member;
- have a minimum term of existence of 10 years from the date of application; and
- provide for succession and continuance in the event of the withdrawal or death of a member.

(c) Required Documentation

The LLC must submit its Articles of Organization and operating agreement with its application. The Articles of Organization and operating agreement must contain language addressing the requirements listed in the FHA [LLC Standard](#) section above.

The application must include the names and TINs of all members.

Responsible Entity Language



Language specifies which entity takes responsibility.

(2) Limited Liability Company

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Deliberate Language



Use of the word “MUST” is careful and deliberate.

(2) Limited Liability Company

(a) Definition

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The LLC **must**:

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The application **must** include the names and TINs of all members.

Glossary Terms



Terms defined in the Glossary are capitalized in Handbook 4000.1.

(2) Limited Liability Company

(a) Definition

A Limited Liability Company (LLC) is organized under applicable state law which creates a legal entity with a combination of the legal and tax attributes of corporations and partnerships.

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The application must include the names and TINs of all members.

Highlighting

- Yellow highlighted text indicates the most recent updates to Handbook 4000.1.

(b) Required Documentation

The Mortgagee must obtain a valid water test from the local health authority or a lab qualified to conduct water testing in the jurisdictional state or local authority. When a well test is required, the report may not be more than 180 Days old from the Disbursement Date.

- “[Text was deleted in this section.]” also indicates recent policy updates.

ii. **Assembly of Case Binder for Electronic Submission** [Text was deleted in this section.]

Format and Style Summary



- Most sections organize information in this order: Definition, Standard, and Required Documentation.
- Glossary terms are capitalized in Handbook 4000.1.
- Highlighting shows the most recent updates.

Structure

Handbook 4000.1 Structure Overview

Transmittal Letter

I. Doing Business with FHA

II. Origination through Post-closing/Endorsement

III. Servicing and Loss Mitigation

IV. Claims and Disposition

V. Quality Control, Oversight, and Compliance

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Explanation of Materials Transmitted

Handbook Section	Handbook Changes	Page Number(s)
Section I – Doing Business with FHA		
I.A.3.c.iv(B)(3)(b) Employees – Standard	Deleted section I.A.3.c.iv(B)(3)(b)(iv) – Dual Employment and renumbered subsequent sections, per ML 2022-22.	17 ⁸
I.A.3.c.iv(B)(3)(b)(iv) Employees – Conflicts of Interest	Deleted guidance and inserted hyperlink to section I.A.6.f Conflicts of Interest, per ML 2022-22.	17

Superseded Policy

Mortgagee Letter(s) Superseded in Whole	ML Number
Supplemental Consumer Information Form	2023-13
Update to ML 2023-03 Regarding Loss Mitigation Options for Non-Borrowers Who Acquired Title through an Exempted Transfer	2023-11
Establishment of the 40-Year Loan Modification Loss Mitigation Option	2023-06
Reduction of Federal Housing Administration (FHA) Annual Mortgage Insurance Premium (MIP) Rates	2023-05
Electronic Filing of all insurance claims on FHA Title II Single Family Mortgages	2023-04

Effective Dates

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT
A. Title II Insured Housing Programs Forward Mortgages
1. Origination/Processing

b. General Mortgage Insurance Eligibility (11/07/2023)

Handbook
Effective Date

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT
A. Title II Insured Housing Programs Forward Mortgages
8. Programs and Products - Section 251 Adjustable Rate Mortgages (05/02/2023)

f. Section 251 Adjustable Rate Mortgages (05/02/2023)

ML Effective
Date

Handbook 4000.1 Appendices

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2.0 Analyzing IRS Forms

3.0 Post-endorsement Fees and Charges by Location (Applies to Servicing Only)

4.0 FHA-Home Affordable Modification Program (FHA-HAMP) Calculations (Applies to Servicing Only)

5.0 HUD Schedule of Standard Possessory Action and Deed-In-Lieu of Foreclosure Attorney Fees (Applies to Servicing Only)

6.0 First Legal Actions to Initiate Foreclosure and Reasonable Diligence Time Frames (Applies to Servicing Only)

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Locate terms
alphabetically.

I. Doing Business with FHA

I. Doing Business with FHA

A. FHA Lenders and Mortgagees

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2. 203(k) Consultants

3. Direct Endorsement Underwriters

4. Nonprofits and Governmental Entities

5. Real Estate Brokers

6. Closing Agents

7. Title I Property Improvement Dealers

8. Title I Manufactured Home Dealers

9. Title I Chattel Appraisers

II. Origination through Post-closing/Endorsement

II. Origination through Post-closing/Endorsement

A. Title II Insured Housing Programs Forward Mortgages

B. Title II Insured Housing Programs Reverse Mortgages

C. Condominium Project Approval

D. Appraiser and Property Requirements for Title II Forward and Reverse Mortgages

E. Title I Insured Programs

F. Appraiser and Property Requirements for Title I Loans

Main Components in Section II (Forward)

A. Title II Insured Housing Programs Forward Mortgages

1. Origination/Processing

2. Allowable Mortgage Parameters

3. Underwriting the Property

4. Underwriting the Borrower Using the TOTAL Mortgage Scorecard (TOTAL)

5. Manual Underwriting of the Borrower

6. Closing

7. Post-closing and Endorsement

8. Programs and Products

9. 203(k) Consultant Requirements

Main components address standard requirements for FHA 203(b) purchase money mortgages.

Programs and Products address requirements only where they differ from a 203(b) purchase money mortgage.

Main Components in Section II (HECM)

B. Title II Insured Housing Programs Reverse Mortgages

1. Origination/Counseling Requirements

2. Origination/Processing

3. Allowable Mortgage Parameters

4. Underwriting the Property

5. Performing the Financial Assessment of the Borrower

6. Closing

7. Post-closing and Endorsement

8. Programs and Products

Main components address standard requirements for HECMs.

Programs and Products address requirements only where they differ from HECMs.

Order of Policy Application

When originating a Mortgage using any special product or program, apply the policies in the following order:

First:
Apply the baseline
policy requirements.



Then:
Supplement or modify by
any program or product-
specific requirements.

If any baseline program guidance conflicts with the specific program requirements provided in the Programs and Products section, the specific program or product guidance prevails.

Policy Application – Example (Forward)

Follow consistent Handbook structure to apply baseline requirements and product or program specific policies.

Baseline Requirements in II.A.5.a.iii(B)(1)



Additional Requirements in II.A.8.b.ii(D)(5)

(1) Satisfactory Credit

The underwriter may consider a Borrower to have an acceptable payment history if the Borrower has made all housing and installment debt payments on time for the previous 12 months and has no more than two 30-Day late Mortgage Payments or installment payments in the previous 24 months.

The underwriter may approve the Borrower with an acceptable payment history if the Borrower has no major derogatory credit on Revolving Charge Accounts in the previous 12 months.

Major derogatory credit on Revolving Charge Accounts must include any payments made more than 90 Days after the due date, or three or more payments more than 60 Days after the due date.

(5) Housing Payment History

The Mortgagee may disregard any late payments on a previous obligation on a Property that was destroyed or damaged in the disaster where the late payments were a result of the disaster and the Borrower was not three or more months delinquent on their Mortgage at the time of the disaster.

The Mortgagee may justify approval if the Borrower was three or more months delinquent if extenuating circumstances are documented by the Mortgagee.

Policy Application – Example (HECM)

Follow consistent Handbook structure to apply baseline requirements and product or program specific policies.

Baseline Requirements in
II.B.2.b.ii(A)(2)(b)



Additional Requirements in
II.B.8.a.iii

(b) Standard

The Property must be the Principal Residence of each Borrower and a Borrower may have only one Principal Residence at any one time.

iii. Principal Residence Requirements

HECM Borrowers may have only one Principal Residence at any one time. Current HECM Borrowers that plan to sell their existing residence and use the HECM for Purchase program to obtain a new Principal Residence must pay off the existing HECM before the HECM for Purchase transaction can be insured.

Borrowers and Eligible NBSs, if applicable, must occupy the Property within 60 Days from the date of closing.

III. Servicing and Loss Mitigation

III. Servicing and Loss Mitigation

A. Title II Insured Housing Programs Forward Mortgages

B. Title II Insured Housing Programs Reverse Mortgages

C. Title I Insured Programs

Main Components in Section III

III. Servicing and Loss Mitigation

A. Title II Insured Housing Programs Forward Mortgages

1. Servicing of FHA-Insured Mortgages
2. Default Servicing
3. Programs and Products

B. Title II Insured Housing Programs Reverse Mortgages

1. Servicing of FHA-Insured HECMs
2. Default Servicing
3. Programs and Products

C. Title I Insured Programs

1. Title I Property Improvement Loan Program
2. Title I Manufactured Home Loan Program

IV. Claims and Disposition

IV. Claims and Disposition

A. Title II Claims

B. Title II Disposition

C. Title I Claims

D. Title I Disposition

Main Components in Section IV

IV. Claims and Disposition

A. Title II Claims

1. Claim Submission Process
2. Claim Types
3. Payment of Claims
4. Withdrawal or Cancellation of Conveyance Claims
5. Post-claim Reviews
6. Debt Collection and Administrative Offset

B. Title II Disposition

1. Management and Marketing Program
2. REO Property Disposition

V. Quality Control, Oversight, and Compliance

V. Quality Control, Oversight, and Compliance

A. Quality Control of Lenders and Mortgagees

B. Quality Control of Other Participants

C. Mortgagee Monitoring

D. Monitoring of Other Participants

E. Enforcement

Structure Summary



- Handbook 4000.1 follows the logical process flow for stakeholders:
 - I. Doing Business with FHA
 - II. Origination through Post-closing/Endorsement
 - III. Servicing and Loss Mitigation
 - IV. Claims and Disposition
 - V. Quality Control, Oversight, and Compliance
- Use the Transmittal letter and Index to locate policy.
- Refer to the Appendices for supplemental information.

Resources

Supplemental Documents

If you experience issues opening PDF documents on this page using Internet Explorer, try using a different web browser.

SINGLE FAMILY HOUSING POLICY HANDBOOK 4000.1 **(SF HANDBOOK) SUPPLEMENTAL DOCUMENTS**

The following documents are referenced in, but are supplemental to, the SF Handbook:

203(k) Related Documents
Appraisal Report and Data Delivery Guide
Automatic Extensions to HUD's Initiation of Foreclosure Timeline
Claim Filing Technical Guide
Model Documents
Single Family Default Monitoring System (SFDMS) Reporting Codes
Termite Treatment Exception Areas
TOTAL Mortgage Scorecard Developer's Guide

Link to
Supplemental
Documents
Archive

The Handbook links
directly to
supplemental
documents.

SF Handbook 4000.1



[Online SF Handbook](#)

[Portable Document
Format \(PDF\) SF
Handbook](#)

Previous Versions of SF Handbook Supplemental Documents

Access previous versions, where available, of FHA Single Family Housing Supplemental and other documents on the [Supplemental Documents Archive](#) page.

Subscribe to FHA INFO Announcements

[Subscribe](#) to receive **FHA INFO** announcements and **SF NEWS** about Mortgagee Letter issuances, procedure updates, and training & events via email. Research a list of all previous **FHA INFO** and **SF NEWS** in the:

[FHA INFO ARCHIVE](#)

https://www.hud.gov/program_offices/housing/sfh/handbook_references



OFFICE OF SINGLE FAMILY HOUSING

Model Documents (Forward)

The Handbook links directly to model documents.

SINGLE FAMILY MODEL DOCUMENTS

The documents below are categorized by all programs, forward and reverse mortgages.
For a list of model documents in other languages, visit the [Model Documents Translations Page](#).

ALL PRODUCTS

- [Informed Consumer Choice](#) (12/20)
- [Model Appraisal Exterior-Only Certification](#) (3/20) Valid for appraisals with effective dates through June 30, 2021 (See [ML 2021-06](#) and [FHA Info #21-44](#))
- [Model Appraisal Desktop-Only Certification](#) (3/20) Valid for appraisals with effective dates through October 31, 2020 (See [ML 2020-37](#))

FORWARD

Notes, Mortgages, Agreements

- [ARM Note](#) (eff. 1/10/15)
- [Mortgage Forward](#) (9/14)
- [Note Forward](#) (eff. 1/21/15)
- [Rehabilitation Loan Agreement](#) (8/15)
- [Instructions for Model Mortgages \(2001 GSE Forms\)](#) (1/23)

REVERSE

Notes, Mortgages, Agreements

- [HECM ARM Note – CMT & SOFR](#) (5/23)
- [HECM ARM Second Note – CMT & SOFR](#) (5/23)
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- [Instructions for Model Mortgages \(2023 GSE forms\)](#) (1/23)
- [Instructions for Model Notes \(2023 GSE forms\)](#) (1/23)

https://www.hud.gov/program_offices/housing/sfh/model_documents



OFFICE OF SINGLE FAMILY HOUSING

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https://www.hud.gov/program_offices/housing/sfh/model_documents

Training Module Summary



At the end of this training, you should now understand:

- The benefits of Handbook 4000.1
- Where to access the Handbook and related artifacts online
- How to read MLs in the context of the Handbook
- The structure and style of the Handbook, including organization of parts, capitalization of Glossary terms, and highlighting of new policy
- The purpose of a Transmittal letter and how to locate updates to Handbook 4000.1 content

Helpful Links

- SF Handbook 4000.1 Information
https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1
- Upcoming Single Family Housing Events and Training
https://www.hud.gov/program_offices/housing/sfh/events
- Subscribe to FHA INFO
https://www.hud.gov/program_offices/housing/sfh/FHA_INFO_subscribe
- HUD's Client Information Policy Systems (HUDCLIPS)
<https://www.hud.gov/guidance>



FHA Resource Center

	Option	Point of Contact	Hours Available	Comments
1	FHA Knowledge Base – FAQs	www.hud.gov/answers	24/7/365	Knowledge Base web page includes option to email questions.
2	Email	answers@hud.gov	24/7/365	
3	Telephone	1-800-CALLFHA (1-800-225-5342) Information on how to make an accessible phone call: https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs .	8:00 AM to 8:00 PM Eastern M-F	Voicemail is available after hours or during extended wait periods.

Handbook 4000.1 Training

FHA Single Family Housing offers various training resources to its approved Lenders, Mortgagees, and other stakeholders.

Jurisdictional
Homeownership
Center (HOC)
in-person
trainings



Online, live
training webcasts



Self-paced, pre-
recorded
training
webinars



Service eClass
trainings



Go to https://www.hud.gov/program_offices/housing/sfh/events to access pre-recorded webinars and to register for live webcasts and onsite trainings.

**Thank you
for joining us today!**

