



COVID-19 Questions and Answers

Last revised: March 27, 2020

Q1. What is FHA's Office of Single Family Housing doing to prepare for possible disruptions in its business operations should the Coronavirus (COVID-19) warrant office closures?

A1. All of FHA, including Single Family, is prepared to operate remotely to ensure our business operations continue with as little disruption as possible in the event of office closures.

Q2. Is FHA continuing to endorse loans?

A2. Insurance endorsements for all FHA Title I loans and Title II forward and reverse mortgages continues; however, there may be processing delays if staff is working remotely.

Q3. Is the FHA Resource Center continuing normal operations?

A3. Yes. However, if the Homeownership Centers (HOCs) are closed there will not be FHA staff members available to receive escalated calls. If this occurs, we recommend that stakeholders email their questions to the FHA Resource Center at: answers@hud.gov for a quicker response.

Q4. (REVISED 3.18.20) Must lenders still complete the annual recertification by March 31, 2020?

A4. (REVISED 3.18.20) FHA has extended the due date for annual recertification to April 30, 2020 for those lenders with a December fiscal year end. However, lenders that can complete the annual recertification before April 30th are encouraged to do so.

Q5. Are requests for lender insurance (LI) authority being processed?

A5. Yes. The LI approval process is electronic, so lenders may continue to submit these requests.

Q6. Can lenders still submit applications to become FHA-approved lenders?

A6. Yes. The FHA lender approval process is electronic, so lenders may continue to submit these requests.

Q7. Will FHA still conduct lender monitoring and/or loan reviews?

A7. Yes. FHA staff will conduct these reviews remotely. All on-site reviews are suspended until further notice.

Q8. Will the Credit Alert Verification Reporting System (CAIVRS) be available if there are office closures?

A8. Yes. CAIVRS will be available to determine if a borrower has a delinquent federal debt.

Q9. Will the FHA TOTAL Scorecard be available for lenders?

A9. Yes. The FHA TOTAL Scorecard will be available.



Q10. (Revised 3.27.20) Will FHA still conduct in-person lender trainings?

A10. (Revised 3.27.20) No. All FHA Single Family in-person trainings are suspended. Online webinar trainings will continue. FHA will continue to assess the situation to determine when in-person trainings can resume.

Q11. Are there special loss mitigation program options available to borrowers who may be negatively impacted by the Coronavirus?

A11. As with any other event that negatively impacts a borrower's ability to pay their monthly mortgage payment, FHA's suite of loss mitigation options provides solutions that mortgagees should offer to distressed borrowers – including those that could be impacted by the Coronavirus – to help prevent them from going into foreclosure. An example of one of these options is our Special Forbearance for unemployed borrowers. The SFB-Unemployment Option is a Home Retention Option available when one or more of the Borrowers has become unemployed and this loss of employment has negatively affected the Borrower's ability to continue to make their monthly Mortgage Payment. These home retention options are located in FHA's [Single Family Housing Policy Handbook 4000.1](#) (SF Handbook) Section III.A.2. See [FHA INFO 20-18](#) for more details. FHA is closely monitoring the situation and will provide updated guidance, as needed.

Q12. Is FHA requiring servicers to conduct occupancy exterior inspections during this time?

A12. Yes. The standard in FHA's SF Handbook states that the mortgagee must perform a visual exterior inspection. No physical contact with the borrower and/or occupants is required. For more information, please see [SF Handbook](#), Section III.A.2.h.xi — *Occupancy Inspection*.

Q13. Does FHA require physical contact with the borrower and/or occupants when acquiring possession of a property in connection with occupied conveyances?

A13. No. When identifying property occupants, FHA does not require physical contact with the borrower and/or occupants. For more information, please see [SF Handbook](#), Section III.A.2.s. — *Acquiring Possession*.

Q14. Will I be able to place a bid on a HUD-owned property via the HUD Homestore bid site?

A14. Yes. The [bidding site](#) is available.

Q15. Is FHA continuing to process claims?

A15. FHA will continue to process claims; however, servicers may experience slightly longer processing timeframes if there are office closures, particularly for any claims submitted manually and Title I claim submissions and Title I manufactured housing endorsements.

Q 16. Is HUD suspending credit reporting for FHA-Insured mortgages?

A 16. FHA requires servicers to comply with the credit reporting requirements of the Fair Credit Reporting Act (FCRA); however, FHA encourages servicers to consider the impacts of COVID-19 on borrowers' financial situations and any flexibilities a servicer may have under the FCRA when taking negative credit reporting actions.



Q17. (REVISED 3.27.20) Is FHA continuing to require appraisals with interior property inspections for Single Family programs?

A17. (REVISED 3.27.20) In accordance with [Mortgagee Letter 2020-05](#), exceptions for two additional appraisal inspection scope of work options may be used for certain cases. The exterior-only appraisal and the desktop-only appraisal options are permitted when circumstances warrant. The FHA roster appraiser must complete all required appraisals in accordance with acceptable Appraisal Reporting Forms and Protocols. See [ML 2020-05](#) for more program specific details.

Q18. Are face-to-face interviews still required under FHA's Default Servicing early default intervention requirements?

A18. FHA has published a regulatory waiver and an accompanying SF Handbook waiver to allow mortgagees to utilize alternative methods for contacting borrowers, in lieu of face-to-face interviews, to meet the requirements of [SF Handbook](#), Section III.A.2.h.xii. For more information, please see Regulatory Waiver and Handbook Waiver.

Q&As (3.18.2020)

Q19. Will lenders be penalized if they are unable to submit case binders to FHA within 10 business days of the binder request as a result of temporary lender office closures or reductions in on-site staff?

A19: No. Lenders should make every effort to submit case binders to FHA as quickly as possible, but they will not be penalized for overdue binder requests caused by their temporary office closures or staff reductions related to Coronavirus disease 2019 (COVID-19).

Q20. Will FHA suspend foreclosures and evictions on single family properties now that a Presidentially-Declared COVID-19 National Emergency has been declared?

A20. Yes. FHA published [Mortgagee Letter \(ML\) 2020-04](#), "*Foreclosure and Eviction Moratorium in connection with the Presidentially-Declared COVID-19 National Emergency*," on March 18, 2020. This ML announced an immediate foreclosure and eviction moratorium for all FHA-insured single family mortgages for a 60-day period.

Q21: Is FHA providing an automatic extension to foreclosure deadlines following the expiration of this moratorium?

A21: Yes. FHA is providing mortgagees an automatic 60-day extension following the moratorium expiration date to commence or recommence foreclosure action or evaluate the borrower under HUD's Loss Mitigation Program.

Q22. Why is FHA granting a foreclosure moratorium for HECMs instead of an extension to the HECM foreclosure timelines?

A22. FHA is authorizing a foreclosure moratorium for Home Equity Conversion Mortgages (HECMs) through guidance in [ML 2020-04](#), which is being provided in response to the unprecedented national emergency and the exigent circumstances surrounding the COVID-19 crisis. HUD's



Presidentially-declared major disaster rea (PDMDA) guidance concerning extensions of HECM foreclosure timelines as provided in [FHA INFO 18-40](#) is unaffected by the guidance.

New Q&As (3.27.2020)

Q24. When are exceptions to the appraisal inspection protocols for the use of exterior-only and desktop-only scope of work permitted?

A24. An exception for the exterior-only option is limited to purchase cases, rate and term refinances, simple refinances, and HECMs. An exception for the desktop-only option is limited to purchase cases.

Q25. What precautions should appraisers take while conducting a property appraisal report with inspection?

A25. Appraisers are advised to establish safety policies and procedures for their clients per the current guidance and recommendations provided by the Centers for Disease Control (CDC) as well as local, state, and federal resources. When scheduling property inspections, appraisers should discuss established protocols to reduce the risk of COVID-19 exposure.

Q26. Does the appraiser have to perform an interior inspection of the subject property?

A26. Certain FHA cases may now be completed with exterior-only or desktop-only scope of work. The appraiser should monitor the client's engagement letters and instructions. For cases requiring the standard protocols of a complete interior and exterior viewing, the appraiser should follow safe practices and keep the client informed.

Q27. When performing an exterior-only or desktop-only scope of work, should the appraisal subject to inspection be completed at a later date?

A27. The appraisal does not need to be subject to an inspection at a later date solely because an interior or physical inspection was not performed. The appraiser must identify any necessary extraordinary assumptions based on the limited inspection scope of work and complete the appraisal based upon these assumptions. The appraisal will be completed "AS IS" unless deficiencies in Minimum Property Requirements (MPR) are observed or known to the appraiser based on the scope of inspection.

Q28. Which appraisal forms will be used for the exterior-only and desktop-only appraisals?

A28. The current acceptable appraisal reporting forms based on property/assignment type will continue to be used for all appraisals, including those with limited inspection scope of work. The appraiser must include the amended model certification and scope of work with the appraisal form. See acceptable reporting forms below:

Property/Assignment Type	Acceptable Reporting Form
Single Family, Detached, Attached or Semi-Detached Residential Property	Fannie Mae Form 1004/Freddie Mac Form 70 , <i>Uniform Residential Appraisal Report (URAR)</i> ; Mortgage Industry Standards Maintenance Organization (MISMO) 2.6 Government-Sponsored Enterprise (GSE) format
Single Unit Condominium	Fannie Mae Form 1073/Freddie Mac Form 465 , <i>Individual Condominium Unit Appraisal Report</i> ; MISMO 2.6 GSE format
Manufactured (HUD Code) Housing	Fannie Mae Form 1004C/Freddie Mac Form 70B , <i>Manufactured Home Appraisal Report</i> ; MISMO 2.6 Errata 1 format
Small Residential Income Properties(Two to Four Units)	Fannie Mae Form 1025/Freddie Mac Form 72 , <i>Small Residential Income Property Appraisal Report</i> ; MISMO 2.6 Errata 1 format
Update of Appraisal(All Property Types)	Summary Appraisal Update Report Section of Fannie Mae Form 1004D/Freddie Mac Form 442 , <i>Appraisal Update and/or Completion Report</i> ; MISMO 2.6 Errata 1 format
Compliance or Final Inspection for New Construction or Manufactured Housing	Form HUD-92051 , <i>Compliance Inspection Report</i> , in Portable Document Format (PDF)
Compliance or Final Inspection for Existing Property	Certification of Completion Section of Fannie Mae Form 1004D/Freddie Mac Form 442 , <i>Appraisal Update and/or Completion Report</i> ; MISMO 2.6 Errata 1 format

- Q29. Where should the appraiser get the subject property data necessary to complete the appraisal form for an exterior-only or desktop-only scope of work?**
- A29.** To identify the property characteristics necessary to develop the appraisal, the appraiser may rely on third party data from the following sources: prior appraisals, tax assessor’s property record, and the Multiple Listing Service (MLS). The Appraiser may also obtain and rely on information from the homeowner with disclosures. Extraordinary assumptions are permitted when necessary in the development of a credible appraisal and should be clearly stated.
- Q30. Are there any additional changes to the appraisal form data requirements to clearly communicate that a modified scope of work was completed?**
- A30.** Yes. To better identify a modified scope of work appraisal, the Map Reference text field within the subject section of the form should be used to state “desktop” or “exterior,” when applicable.
- Q31. Is the appraiser still responsible for identification of property deficiencies and minimum property requirements?**
- A31.** While the FHA minimum property requirements (MPR) has not changed, the appraiser is required to observe, analyze, and report only what is evident based on the assignment scope of work.



Q32. Can an extension of the time for completion of repairs be granted for a limited or standard 203(k) mortgage due to construction delays?

A32. Yes. A borrower who is current on their mortgage payments may request an extension of time from the mortgagee where construction is delayed for reasons outside of the borrower's control, such as natural disasters or other contractor delays, which result in the work not being completed within the rehabilitation period specified in the Rehabilitation Loan Agreement. The borrower must submit adequate documentation to justify the extension. The mortgagee may grant an extension at its discretion.

The mortgagee must complete the required fields on the escrow closeout certification screen in FHA Connection (FHAC) to document the approval or the denial for the extension request. For more information, please see SF Handbook, Section II.A.8.a.xvii.(B) — Extension Requests.

Q33. Is FHA continuing to require 203(k) consultants to physically inspect the properties with loans for FHA insurance?

A33. Yes. The 203(k) consultants must inspect the property and prepare a report in accordance with the requirements of SF Handbook, Section II.A.9.b.ii. 203(k) consultants should stay informed of CDC coronavirus updates and incorporate prudent measures in their business practice regarding personal contact with the borrower and/or occupants. FHA is closely monitoring the situation and will provide updated guidance, as needed.

Q34. Can mortgagees close the loan and submit it for endorsement if they are not able to re-verify the borrower's employment before closing?

A34. Yes. On March 27, 2020, FHA published [Mortgagee Letter 2020-05](#), which announced alternatives that mortgagees can use to re-verify borrowers' employment for all FHA Single Family Title II forward mortgages prior to settlement, where required, so long as certain conditions are met. Refer to [ML 2020-05](#) for details.

Q35. Will HUD accept notification from the Social Security Administration Death Master File as evidence of the death of a HECM borrower for purposes of Claim Type 22 review?

A35. Yes, if a servicer is unable to obtain a copy of a deceased borrower or co-borrower's death certificate, HUD will accept alternative evidence of the death for purposes of Claim Type 22 review, including notification from the Social Security Administration Death Master File. Servicers should document their servicing files with their attempts to obtain a death certificate or other evidence of the borrower's death. See [Mortgagee Letter 2018-08](#).