

FHA INFO #18-49
December 14, 2018



TO: All FHA-Approved Mortgagees
All Other Interested Stakeholders in FHA Transactions

NEWS AND UPDATES

Streamlining Warranty Requirements for Federal Housing Administration (FHA) Single Family Mortgage Insurance: Removal of the Ten-Year Protection Plan Requirements – Final Rule Published

Today, the Federal Housing Administration (FHA) published in the Federal Register a final rule, *Streamlining Warranty Requirements for Federal Housing Administration (FHA) Single Family Mortgage Insurance: Removal of the Ten-Year Protection Plan Requirements* ([Docket No. FR-6029-F-01](#)).

This final rule streamlines the home warranty requirements for FHA single family mortgage insurance by removing the regulations that require borrowers to purchase 10-year protection plans in order to qualify for certain mortgages on newly constructed single family homes. This action conforms with changes made by the Housing and Economic Recovery Act of 2008 (HERA).

The final rule also introduces greater flexibility and allows consumers to pursue cost-minimizing strategies without measurably increasing the risk to FHA of affected loans. Those consumers who opt to purchase warranties will be able to choose from the entire market of warranty providers, not just those approved by HUD.

HUD is retaining the requirement that the Warranty of Completion of Construction (form HUD-92544) be executed by the builder and the buyer of a new construction home, as a condition for FHA mortgage insurance.

This final rule becomes effective March 14, 2019.

[Quick Links](#)

- View the Streamlining Warranty Requirements final rule at: <https://www.federalregister.gov>

Resources

Contact the FHA Resource Center:

- Visit our online knowledge base to obtain answers to frequently asked questions 24/7 at: www.hud.gov/answers.
- E-mail the FHA Resource Center at: answers@hud.gov. Emails and phone messages will be responded to during normal hours of operation, 8:00 AM to 8:00 PM (Eastern), Monday through Friday on all non-Federal holidays.
- Call 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

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