



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

NEWS AND UPDATES

FHA Issues Policy Guidance on Use of Third Party Verification Services

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2019-01: Third Party Verification Services](#), which provides guidance for the use of Third Party Verification (TPV) services as an alternative for verifying borrowers' employment, income, or assets.

Currently, the [Single Family Housing Policy Handbook 4000.1](#) (SF Handbook) and the [Home Equity Conversion Mortgage \(HECM\) Financial Assessment and Property Charge Guide](#) allow for electronic verifications in lieu of written Verifications of Employment (VOEs) and allow for Verifications of Deposit (VODs) in lieu of bank statements, but make no specific reference to the use of third party verification services to perform those functions. FHA also requires current employment income to be documented by obtaining borrower paystubs in addition to obtaining VOEs or Alternative Employment Documentation (W-2's).

This ML revises documentation requirements to allow the use of vendors to verify information directly with borrowers' employers or financial institutions without the need for additional documentation and is consistent with industry practice. The mortgagee remains responsible for the quality of its FHA-insured mortgages and must ensure that its TPV vendors fully comply with all applicable laws and FHA requirements.

The provisions outlined in ML 2019-01 are effective immediately and apply to all FHA Title II forward and reverse (HECM) mortgages.

Quick Links

- View Mortgagee Letter 2019-01 and all other archived Mortgagee Letters at: https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee
- View the online and/or PDF versions of the *Single Family Housing Policy Handbook 4000.1* at: https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsggh
- View the *HECM Financial Assessment and Property Charge Guide* at: <https://www.hud.gov/sites/documents/14-22ML-ATCH2.PDF>

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.

FHA INFO Archives:	Visit the FHA INFO Archives to access FHA INFO messages issued from 2012 to the present.	
Subscribe/Unsubscribe Instructions:	To subscribe to the Single Family FHA INFO mailing list you can use this link: FHA INFO or send a request by email to: answers@hud.gov Bulk subscriptions: To sign up your entire office or a large group, send the list of email addresses (in the format below) to: answers@hud.gov aaa@xyz.com bbb@xyz.com ccc@xyz.com To Unsubscribe follow the unsubscribe instructions on that page.	
Resource Links:	FHA Archived Webinars Career Opportunities Contracting Opportunities Events & Training FHA Forms FHA Homeownership Centers FHA Mortgagee Letters	Foreclosure Assistance Grant Opportunities HUD Homes - Property Listings HUD.gov Making Home Affordable Presidentially-Declared Major Disaster Areas Visit our Single Family Home Page



We hope that you will want to continue receiving information from HUD.
We safeguard our lists and do not rent, sell, or permit the use of our lists by others, at any time, for any reason.

Connect with HUD on [Social Media](#) and follow Secretary Carson on [Twitter](#) and [Facebook](#).