



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

NEWS AND UPDATES

In this Announcement:

- FHA Issues Guidance on Removing the FHA Ten-Year Protection Plan Requirements
- FHA Issues Guidance on the Elimination of the Regulations for the FHA Inspector Roster

See below for details.

FHA Issues Guidance on Removing the FHA Ten-Year Protection Plan Requirements

On Tuesday, March 12, 2019, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2019-05, Removal of the Ten-Year Protection Plan Requirements](#), which streamlines home warranty requirements for FHA single family mortgage insurance by removing the requirement that borrowers purchase ten-year protection plans in order to qualify for certain mortgages on newly constructed single family homes. This guidance saves the homeowner the cost of the protection plan and follows the December 14, 2018, publication of the final rule of the same name, which streamlined these home warranty requirements, effective March 14, 2019.

The homebuyer and builder will continue to execute a one-year Warranty of Completion of Construction, which provides FHA with assurances that the home was built according to plan and protects the buyer against defects in equipment, material, or workmanship supplied or performed by the builder, subcontractor, or supplier. The warranty further states that the warrantor agrees to fix and pay for any defects and restore any component of the home damaged in fulfilling the terms and conditions of the warranty. The one-year warranty begins on the date that title is conveyed to the buyer, the date that construction is complete, or upon occupancy, whichever date occurs first.

These changes are effective for all case numbers assigned on or after March 14, 2019.

Quick Links

- View Mortgagee Letter 2019-05 and all other archived Mortgagee Letters at: https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee
- View *Federal Register* Docket Number FR-6029-F-01 at: <https://www.federalregister.gov/documents/2018/12/14/2018-27116/streamlining-warranty-requirements-for-federal-housing-administration-fha-single-family-mortgage>

FHA Issues Guidance on the Elimination of the Regulations for the FHA Inspector Roster

On Tuesday, March 12, 2019, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2019-04, Removal of the Federal Housing Administration \(FHA\) Inspector Roster](#), as part of its efforts to streamline inspection requirements for FHA single family mortgage insurance. This guidance follows the July 3, 2018, publication of the final rule of the same name, which streamlined the inspection requirements for FHA single family mortgage insurance, effective August 2, 2018. As part of the rule, the Department of Housing and Urban Development (HUD) eliminated the FHA Inspector Roster, codified at 24 CFR 200.170-172. The elimination of the FHA Inspector Roster relaxes the restrictions to entry of inspectors and would expand the pool of inspectors from which lenders may choose for the inspection of a home where the mortgage would be FHA-insured. Current industry standards and local regulations are sufficiently rigorous to render HUD's standards redundant.

This guidance applies to all FHA mortgage programs that require inspections and compliance inspections by FHA Roster Inspectors, including Section 203(b) and Section 203(k) mortgages for new construction and repair/renovation in FHA's *Single Family Housing Policy Handbook* 4000.1 (SF Handbook).

Quick Links

- View Mortgagee Letter 2019-04 and all other Mortgagee Letters at: https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee
- View *Federal Register* Docket Number FR-5457-F-02 at: <https://www.federalregister.gov/documents/2018/07/03/2018-14212/streamlining-inspection-requirements-for-federal-housing-administration-fha-single-family-mortgage>
- View the online or PDF version of the SF Handbook at: https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsgb

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 Foreclosure Assistance Career Opportunities Grant Opportunities Contracting Opportunities HUD Homes - Property Listings

[Events & Training](#)

[FHA Forms](#)

[FHA Homeownership Centers](#)

[FHA Mortgagee Letters](#)

[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](#).