

## FHA INFO #19-18

May 9, 2019



**TO: All FHA -Approved Mortgagees  
All Other Interested Stakeholder in FHA Transactions**

### NEWS AND UPDATES

#### **Proposed Revisions to FHA Certifications and Defect Taxonomy Posted for Public Feedback**

The Federal Housing Administration (FHA), in an effort to provide additional clarity and streamline FHA program requirements while continuing to fulfill its duty to protect the Mutual Mortgage Insurance Fund (MMIF), is seeking public feedback on proposed changes to its loan-level certifications, annual lender certifications, and the Defect Taxonomy.

FHA's goal is to produce forms that are concise, while appropriately reflecting FHA's statutory and regulatory program requirements in a way that is easily understood by all parties. The proposed changes streamline the certification statements while continuing to hold lenders accountable for compliance with all HUD eligibility and approval requirements.

The proposed updates are now posted on the [Single Family Housing Drafting Table](#) (Drafting Table) on [hud.gov](http://hud.gov). More detail on each document is provided below.

#### **Loan-Level Certifications**

FHA is proposing significant revisions to the *Addendum to Uniform Residential Loan Application* (Form 92900-A). These proposed changes to the loan-level certifications are intended to reorganize Form 92900-A (loan-level certification) in a logical, easy to read, and understandable format, and to eliminate duplicative information collected elsewhere. The proposed Form 92900-A is posted on the [Drafting Table](#) for a 30-day feedback period from May 9, 2019, until June 8, 2019.

#### **Annual Lender Certifications**

FHA is proposing changes to its annual lender certifications to better align them with National Housing Act standards while continuing to hold lenders accountable for compliance with HUD eligibility

requirements. The proposed annual lender certification is posted on the [Drafting Table](#) for a 30-day feedback period from May 9, 2019, until June 8, 2019. To help stakeholders understand the proposed revisions, FHA has posted a comparison document on the [Drafting Table](#) showing the current certification statements and proposed changes side-by-side. Under the provisions of the Paperwork Reduction Act, FHA will also publish a *Federal Register* Notice requesting public comments on the proposed changes.

### **Defect Taxonomy**

FHA is posting a draft of the Defect Taxonomy Version 2 for stakeholder review and feedback. The Defect Taxonomy was created in 2015 and implemented through the Loan Review System in 2017. Version 2 will provide more clarity and transparency into FHA's existing loan-level quality assurance processes.

Proposed changes include:

- updated Severity Tier definitions;
- potential Remedies that align each Severity Tier;
- revised Sources and Causes in certain Defect Areas;
- new Defect Areas for Servicing loan reviews; and
- HUD policy references.

The proposed Defect Taxonomy Version 2 is posted on the [Drafting Table](#) for a 30-day feedback period from May 9, 2019, until June 8, 2019.

### **Quick Links**

- View the proposed Form 92900-A (loan-level certification), proposed annual lender certifications, and proposed Defect Taxonomy Version 2 on the *Single Family Housing Drafting Table* at: [https://www.hud.gov/program\\_offices/housing/sfh/SFH\\_policy\\_drafts](https://www.hud.gov/program_offices/housing/sfh/SFH_policy_drafts)

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### **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](http://www.hud.gov/answers).
- E-mail the FHA Resource Center at: [answers@hud.gov](mailto: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.

<b>FHA INFO Archives:</b>	Visit the <a href="#">FHA INFO Archives</a> to access FHA INFO messages issued from 2012 to the present.
<b>Subscribe/Unsubscribe Instructions:</b>	To subscribe to the Single Family FHA INFO mailing list you can use this link: <a href="#">FHA INFO</a> or send a request by email to: <a href="mailto:answers@hud.gov">answers@hud.gov</a> Bulk subscriptions: To sign up your entire office or a large group, send the list of email addresses (in the format below) to: <a href="mailto:answers@hud.gov">answers@hud.gov</a>

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