



**TO: All FHA-Approved Mortgagees;
All FHA Roster Appraisers; and
All Other Interested Stakeholders in FHA Transactions**

NEWS AND UPDATES

As a result of the Presidentially-declared COVID-19 national emergency, the Federal Housing Administration (FHA) is announcing the following policy changes:

- Re-verification of Employment, and Exterior-Only and Desktop-Only Appraisal Scope of Work Options for FHA Single Family Programs Impacted By COVID-19
- Temporary Waiver Provides Mailing Alternative for Condominium Project Approval Application Packages
- Temporary Waiver of Damage Inspection Reports in Presidentially-Declared Major Disaster Areas due to COVID-19
- Updated Single Family COVID-19 Q&A

See below for details.

Re-verification of Employment and Exterior-only and Desktop-only Appraisal Property Inspections Protocols

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2020-05](#), "*Re-verification of Employment and Exterior-Only and Desktop-Only Appraisal Scope of Work Options for FHA Single Family Programs Impacted By COVID-19.*"

This ML announced alternatives that mortgagees can use to re-verify borrower's employment for all FHA Single Family Title II forward mortgages and Home Equity Conversion Mortgages (HECMs) prior to settlement, where required, so long as certain other conditions are met.

Mortgagees can use the following alternatives to re-verify borrower's employment:

- Year-to-date paystub or direct electronic verification of income dated immediately prior to the note date; or
- Bank statement showing a direct deposit from the borrower's employer for the pay period that immediately precedes the settlement date.

For forward purchase transactions, the mortgagee must also provide documentation of a borrower's cash reserves equaling a minimum of two months of principal, interest, taxes, and insurance (PITI).

Additionally, this ML provides guidance that permits FHA roster appraisers to use exterior-only or desktop-only appraisal inspections as a substitute for interior inspections for most forward mortgage and Home Equity Conversion Mortgage (HECM) purchase transactions and exterior-only appraisal inspections for most forward refinance and HECM traditional and refinance transactions.

This amended guidance, which affects both origination and servicing, is effective until May 17, 2020, as detailed in [ML 2020-05](#).

[Quick Links](#)

- View Mortgage Letter 2020-05 and all other archived Mortgage Letters at: https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee

Temporary Waiver Provides Mailing Alternative for Condominium Project Approval Application Packages

Today, the Federal Housing Administration (FHA) issued a temporary [waiver](#) of its [Single Family Housing Policy Handbook 4000.1](#) policy to provide an alternative to submitting Condominium project approval application packages by mail in the event of possible HUD office closures due to COVID-19. By using this alternative method, FHA employees working remotely can still retrieve and access packages for processing. This new alternative does not affect mortgagees that currently upload their packages through FHA Connection.

Submitters should create a PDF file of the package and send it via email to the FHA Resource Center at answers@hud.gov. The email "Subject Line" should read "Condominium Project Approval Application Package". Upon receipt, FHA Resource Center staff will forward the package to the appropriate FHA Homeownership Center where it will be reviewed.

The email attachment should contain a single PDF file not to exceed 32 MB. Files larger than 32 MB must be emailed separately and each email should also include a brief project name and the total number of emails being submitted (e.g., "Towne Centre 1 of 3").

This process applies to the submission of Condominiums for Project Approval and does not affect the requirements for Single-Unit Approval as outlined in [ML 2019-13](#).

[Quick Links](#)

- View the mailing alternative for condominium project approval application packages temporary waiver on the Waivers page at: https://www.hud.gov/program_offices/administration/hudclips/waivers/
- Access the *Single Family Housing Policy Handbook 4000.1* in online or portable document format from HUD's Client Information Policy Systems (HUDCLIPS) Handbooks web page at: https://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsggh
- View Mortgage Letter 2019-13 and all other archived Mortgage Letters at: https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee

Temporary Waiver of Damage Inspection Reports in Presidentially-Declared Major Disaster Areas

Today, the Federal Housing Administration (FHA) issued a [waiver](#) of its [Single Family Housing Policy Handbook 4000.1](#) (SF Handbook) policy to temporarily suspend the requirement that FHA roster appraisers must complete damage inspection reports for properties pending sale or endorsement in Presidentially-Declared Major Disaster Areas (PDMDAs) associated with COVID-19. This waiver of SF Handbook policy is effective immediately.

Quick Links

- View the temporary waiver for damage inspection reports in PDMDAs on the Waivers page at: https://www.hud.gov/program_offices/administration/hudclips/waivers/
- Access the *Single Family Housing Policy Handbook 4000.1* in online or portable document format from HUD's Client Information Policy Systems (HUDCLIPS) Handbooks web page at: https://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsggh

Updated Single Family COVID-19 Q&A Posted

FHA continues to revise its [FHA Single Family COVID-19 Q&A](#) as needed to keep stakeholders updated with the latest information about FHA's response to the Presidentially-declared COVID-19 national emergency. Refer to the [Single Family main page](#) on hud.gov for updates.

Quick Links

- Access the Single Family main page at: https://www.hud.gov/program_offices/housing/sfh

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

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