

## FHA INFO #20-62

August 28, 2020



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

### NEWS AND UPDATES

In this Announcement:

- Re-verification of Employment and Exterior-Only and Desktop-Only Appraisal Policies Extended to October 31, 2020
- Temporary Partial Waiver of QC Requirements for Early Payment Defaults
- Webinar: FHA-Approved Lender Annual Lender Recertification Requirements

See below for details.

### Re-verification of Employment and Exterior-Only and Desktop-Only Appraisal Policies Extended to October 31, 2020

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2020-28](#), *Re-Extension of the Effective Date of Mortgagee Letter (ML) 2020-05, Re-verification of Employment and Exterior-Only and Desktop-Only Appraisal Scope of Work Options for the Federal Housing Administration (FHA) Single Family programs impacted by the Coronavirus Disease of 2019 (COVID-19)*.

Today's ML extends for the third time the flexible alternatives for industry partners that must re-verify a borrower's employment and/or conduct appraisal inspections while observing prudent social distancing practices associated with the COVID-19 National Emergency.

As outlined, FHA's extension of the re-verification of employment guidance is effective immediately for cases closed on or before October 31, 2020. It is also effective immediately for appraisal effective dates on or before October 31, 2020.

#### **Quick Links:**

- View Mortgagee Letter 2020-28 and all other archived Mortgagee Letters at:  
[https://www.hud.gov/program\\_offices/administration/hudclips/letters/mortgagee](https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee)

### Temporary Partial Waiver of QC Requirements for Early Payment Defaults

Today, FHA issued a [temporary partial waiver](#) of [Single Family Housing Policy Handbook 4000.1](#) (SF Handbook) to provide mortgagees with flexibility related to quality control (QC) reviews of Early Payment Defaults (EPD).

As a result of the COVID-19 National Emergency, FHA continues to observe an elevated number of EPDs nationwide. According to SF Handbook guidance, mortgagees are required to conduct monthly QC reviews of all EPDs. However, many recent EPDs have been reported to FHA using the Single Family Default Monitoring System (SFDMS) Delinquency and Default Reason Code 055 – *Related to National Emergency Declaration*, which indicates the mortgagee granted forbearance relief under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). In response, FHA is temporarily partially waiving the requirements found in the SF Handbook, Sections V.A.3.a.i(C), V.A.3.a.iv(B)(2) and V.A.3.c.ii(C)(1)(b).

With this waiver, mortgagees are not required to conduct QC reviews — including field reviews of appraisals — for EPDs that would have been selected as part of the mortgagee's August 2020 QC selections, provided the mortgages have been reported using SFDMS Delinquency and Default Reason Code 055.

Mortgagees must review all EPDs not reported using SFDMS Delinquency and Default Reason Code 055 that would have been included in their August QC selections, and must continue to meet all other QC requirements in SF Handbook, Section V.A.3.

FHA encourages mortgagees to apply these QC flexibilities only to the extent necessary.

### **Quick Links:**

- View the temporary partial waiver of QC requirements for Early Payment Defaults on the Waivers page at: [https://www.hud.gov/program\\_offices/administration/hudclips/waivers/](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/hsg](https://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsg)

## **Webinar: FHA-Approved Lender Annual Recertification Requirements**

— **There is no charge for training courses and webinars offered by the Federal Housing Administration** —

<b>Webinar Title:</b> <b>NEW</b>	<b>FHA-Approved Lender Annual Recertification Requirements</b>
<b>Date/Time:</b>	Thursday, September 10, 2020 2:00 PM to 3:30 PM (Eastern)
<b>Event Location:</b>	Webinar — No Fee
<b>Jurisdictional Host:</b>	Office of Lender Activities and Program Compliance
<b>Registration Link:</b>	<a href="https://easthillmedia.zoom.us/webinar/register/WN_OBd1fn-SSmKF0Wz4waQYHw">https://easthillmedia.zoom.us/webinar/register/WN_OBd1fn-SSmKF0Wz4waQYHw</a>
<b>Description:</b>	<p>This free, online webinar will assist FHA-approved lenders (and their auditors) with their upcoming Annual Recertification and provide detailed information on how they can successfully submit an acceptable recertification package via the Lender Electronic Assessment Portal (LEAP).</p> <p>There will be a Question and Answer (Q&amp;A) session following the presentation.</p>
<b>Audience:</b>	This webinar is primarily for FHA-approved lenders; however, other interested stakeholders in FHA transactions may benefit from attending.

**Special Instructions:** Advance registration is required no later than September 9, 2020. Registered attendees will receive a registration confirmation via email with instructions on how to access the webinar and other details.

## 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-CALL-FHA (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> <a href="mailto:aaa@xyz.com">aaa@xyz.com</a> <a href="mailto:bbb@xyz.com">bbb@xyz.com</a> <a href="mailto:ccc@xyz.com">ccc@xyz.com</a> <a href="#">To Unsubscribe</a> follow the unsubscribe instructions on that page.	
<b>Resource Links:</b>	<a href="#">FHA Archived Webinars</a> <a href="#">Career Opportunities</a> <a href="#">Contracting Opportunities</a> <a href="#">Events &amp; Training</a> <a href="#">FHA Forms</a> <a href="#">FHA Homeownership Centers</a> <a href="#">FHA Mortgagee Letters</a>	<a href="#">Foreclosure Assistance</a> <a href="#">Grant Opportunities</a> <a href="#">HUD Homes - Property Listings</a> <a href="#">HUD.gov</a> <a href="#">Making Home Affordable</a> <a href="#">Presidentially-Declared Major Disaster Areas</a> <a href="#">Visit our Single Family Home Page</a>



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](#).

[HUD COVID-19 Resources and Fact Sheets](#)