



FHA INFO 2022-32

March 29, 2022

FHA Updates Policy Regarding Reimbursement for Property Preservation and Protection Cost Claims

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2022-06, Establishing the Claims Standard for Reasonable Payments for Property Preservation and Protection Costs](#). This ML updates the policy for property preservation and protection (P&P) costs by establishing a standard for the Department of Housing and Urban Development's (HUD) reimbursement of reasonable P&P costs incurred in connection with Claims without Conveyance of Title (CWCOT) and Conveyance claims.

This FHA policy update ensures that HUD reimburses mortgagees for P&P costs in accordance with FHA's claim regulations, which provide for reimbursement of reasonable payments for P&P costs. Mortgagee payments for P&P costs are considered reasonable if they are incurred during the P&P period, consisting of the mortgagee's Reasonable Diligence Time Frame and Conveyance or CWCOT Time Frame, and meet the eligibility and allowance requirements set forth in FHA requirements.

Additionally, the ML updates the following sections of the [Single Family Housing Policy Handbook 4000.1](#):

- Section III.A.2.T.ii(E), Curtailment of Claims; and
- Section IV.A.2.a.ii(D), Claim Type 01 - Conveyances, Computation of Claim Amount, Property Preservation and Protection Costs.

This policy may be implemented immediately; however, it must be implemented no later than 90 days from the date of publication of this ML.

The updates will be incorporated into a future version of the *Single Family Housing Policy Handbook 4000.1*.

Need Support? Contact the FHA Resource Center.

- Visit our knowledge base to obtain answers to frequently asked questions 24/7 at www.hud.gov/answers.

- E-mail 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.

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