



NATIONAL HOMEOWNERSHIP MONTH 2022

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FHA Publishes Updates to Single Family Housing Policy Handbook 4000.1

Today, the Federal Housing Administration (FHA) published the latest version of the *Single Family Housing Policy Handbook* 4000.1 ([Handbook 4000.1](#)). This update includes enhancements and revisions to existing guidance as well as various technical edits. In most cases, this newly added language augments and enhances existing policy.

FHA remains committed to making it easier for stakeholders to conduct business by maintaining and enhancing Handbook 4000.1 with regularly scheduled updates to ensure it remains the comprehensive source of policy guidance for single family mortgage originators, servicers, and other stakeholders.

This update contains revisions and reflects the incorporation of certain Mortgagee Letters (MLs) with the effective dates as announced in those MLs and to Handbook 4000.1 Sections I, II, III, and IV, Appendix 4.0, Glossary, and the Claim Filing Technical Guide. Handbook 4000.1 updates are effective as follows:

- The Handbook 4000.1 Transmittal reflects incorporation of certain MLs with the effective dates as previously announced in the corresponding ML.
- Changes identified in the Transmittal for Section II.A of Handbook 4000.1 may be implemented immediately but must be implemented for mortgages with case numbers assigned on or after September 26, 2022.
- All other changes may be implemented immediately but must be implemented no later than September 26, 2022.

In addition to the incorporation of MLs, highlights of updates include, but are not limited to, the following new guidance:

- **Section I — Doing Business with FHA**
 - I.A.6.j.i Use of Contractors – Permissible Use: Updated guidance to include the use of Third Party Verification vendors for occupancy verification.
- **Section II — Origination through Post-Closing/Endorsement**
 - II.A.1.a.i(A)(2)(b) Information Obtained via Internet: Removed requirement to review the URL for documents obtained from a website.
 - II.A.8.d.vi(C)(2)(a)(ii) Streamline Refinances – Occupancy Requirements – Required Documentation: Updated guidance to include the use of Third Party Verification vendors for occupancy verification for streamline refinances.

- **Section III — Servicing and Loss Litigation**
 - III.A.2.i.ii(A) Loss Mitigation Review Process – Review Requirements – 90-Day Review; and III.A.2.i.vii(A) Loss Mitigation Review Process – Loss Mitigation Agreements – Standard: Clarified the Mortgagee must exclude certain co-Borrowers from the loss mitigation review requirements to comply with state, local, and federal servicing laws.
- **Section IV — Claims and Disposition**
 - IV.A.2.a.ii(D) Claim Type 01 – Conveyances – Computation of Claim Amount – Property Preservation and Protection Costs: Clarifies timing of reimbursement of property Preservation and Protection costs.

Stakeholders are encouraged to review and familiarize themselves with the changes outlined in the Handbook 4000.1 Transmittal in its entirety. Additionally, a separate redline version of the Handbook 4000.1 has been posted on the [Handbook 4000.1 Information Page](#). The online version of Handbook 4000.1 is currently being updated and will be available soon.

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