



FHA INFO 2023-01

January 3, 2023

FHA Seeks Feedback on Draft of Enhanced Policy to Support Requests for Reviews of Appraisal Results

The Federal Housing Administration (FHA) is committed to strengthening safeguards against unlawful discrimination in residential property valuations and is taking multiple actions to enhance information, process, and documentation requirements related to this important issue. As part of these actions, today FHA posted a draft Mortgagee Letter (Draft ML) that proposes policy changes intended to strengthen FHA requirements for processing and documenting Reconsideration of Valuation (ROV) requests, particularly when those requests are initiated by a borrower's request for review of appraisal results. The Draft ML, *Borrower Request for Review of Appraisal Results*, is posted on [FHA's Single Family Housing Drafting Table](#) web page on HUD.gov for public feedback through February 2, 2023.

With this Draft ML, FHA provides proposed guidance to improve the process when prospective borrowers applying for FHA-insured Title II forward or Home Equity Conversion Mortgages (HECM) request an ROV on a property if the initial valuation is lower than expected, there is indication of illegal bias, Fair Housing regulations have been violated or unlawful discrimination has been identified. This Draft ML also proposes updated appraisal review standards intended to provide mortgagees and appraisers with clarifying guidance regarding the quality of an appraisal report and the ROV process and responsibilities.

Interested stakeholders are encouraged to thoroughly review and provide feedback on the Draft ML during a 30-day calendar period from January 3, 2023, through February 2, 2023. Instructions for viewing the Draft ML and providing feedback are available on the [Drafting Table](#). FHA will carefully consider all feedback received.

As a reminder, this Draft ML is not official departmental policy and may not be used in connection with any FHA-insured mortgages until finalized. FHA's existing policies remain in effect until amended.

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