FHA Implements Provisions of Final Rule Clarifying Investing Mortgagees and GSE Definition


The final rule revised and clarified requirements for investing lenders and mortgagees to gain or maintain status as an FHA-approved lender or mortgagee, separately defines Government-Sponsored Enterprises (GSE), including the Federal Home Loan Banks (FHLB), from other governmental entities and aligned general FHA approval standards with current industry business practices. These changes were largely designed to provide for more precise language and definitions reflecting investing lenders’ or mortgagees’ limited participation in FHA programs and did not represent a significant departure from existing requirements for most lenders and mortgagees originating, endorsing, or servicing FHA-insured loans and mortgages.

This ML provides implementation guidance for the provisions in the final rule. The policies in this ML:

- Distinguishes the two types of government mortgagees:
  - Governmental institutions.
  - Government-sponsored enterprises (GSE).
- Clarifies what activities governmental institutions and GSEs can perform as government mortgagees in FHA single family programs; and
- Updates the definition of investing lenders and mortgagees.

The provisions of this ML are effective immediately and apply to all mortgagees and lenders approved for Title I and/or Title II programs.

This policy update will be incorporated into a future version of Single Family Housing 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.

About FHA INFO

FHA INFO is a publication of the Federal Housing Administration’s (FHA), Office of Single Family Housing, U.S. Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410. We safeguard our lists and do not rent, sell, or permit the use of our lists by others, at any time, for any reason.

Visit the FHA INFO Archives to access FHA INFO messages. For additional information and resources, visit the FHA Single Family Housing main page on HUD.gov

Stay Connected with the Office of Housing and the Federal Housing Administration:

SUBSCRIBER SERVICES:
Manage Subscriptions | Help