



FHA INFO 2024-74

October 24, 2024

FHA Proposes Policy to Eliminate Full-Time Employment Requirement for Direct Endorsement Underwriters

Today, the Federal Housing Administration (FHA) posted a draft Mortgagee Letter (ML), *Updates to Direct Endorsement Underwriter Eligibility Requirements*, on [FHA's Office of Single Family Housing Drafting Table](#) (Drafting Table) for industry feedback. This draft ML proposes to eliminate the eligibility requirement that FHA-approved mortgagees employ Direct Endorsement (DE) underwriters on a full-time basis and to allow part-time DE underwriter employment. Mortgagees would still be required to ensure that their DE underwriters are employees of a single mortgagee and underwriting functions are not contracted out.

FHA recognizes that the financial landscape for smaller lending institutions and Community Development Financial Institutions (CDFIs) has evolved significantly over the past decade, presenting both opportunities and challenges in sustaining growth and meeting customer needs. When final, these changes intend to provide mortgagees with increased flexibility to more effectively manage their staffing needs, reduce origination costs, and encourage greater participation in FHA programs.

Interested stakeholders are encouraged to thoroughly review the draft ML and provide feedback by November 25, 2024. Instructions for providing feedback are posted on the [Drafting Table](#). FHA will carefully consider all feedback received before publishing a final ML.

As a reminder, this draft is not official departmental policy and cannot be used in connection with any FHA-insured mortgage 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.

- 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.
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