



FHA INFO #21-10

February 23, 2021

Today, FHA announced the publication of two Mortgagee Letters (MLs) that continue to extend certain single family housing origination and 203(k) servicing policy flexibilities provided as a result of the COVID-19 pandemic. These policies are designed to facilitate new mortgage originations for homebuyers and allow 203(k) rehabilitation projects to continue while addressing the health and safety concerns of performing in-person functions during the pandemic.

- [ML 2021-06](#), *Extension of Re-verification of Employment and Exterior-Only Appraisal scope of work (SOW) Option for Federal Housing Administration (FHA) Single Family programs impacted by the Coronavirus Disease of 2019 (COVID-19)*; and
- [ML 2021-07](#), *Extension of the End Date for COVID-19 Multisubject: Updated Temporary Guidance for Verification of Self-Employment; Rental Income; and 203(k) Rehabilitation Escrow Account*

These MLs apply to Single Family Title II forward and reverse (HECM) mortgage programs, except for the 203(k) escrow administration guidance that applies solely to the 203(k) Rehabilitation Mortgage Program.

See below for additional details and read today's [Press Release](#).

FHA Extends Temporary Guidance for Re-verification of Employment and Exterior-Only Appraisal Scope of Work Option Through June 30, 2021

Today's [Mortgagee Letter \(ML\) 2021-06](#), *Extension of Re-verification of Employment and Exterior-Only Appraisal Scope of Work (SOW) Option for Federal Housing Administration (FHA) Single Family programs Impacted by the Coronavirus Disease of 2019 (COVID-19)*:

- Continues the re-verification of employment guidance issued in [ML 2020-05](#) for cases closed on or before June 30, 2021; and

- Extends the exterior-only appraisal SOW option first announced in [ML 2020-37](#) for appraisals with an effective date on or before June 30, 2021.

Because this policy guidance is temporary and designed specifically to help mitigate the continuing impacts of the COVID-19 pandemic on individuals and families, it will not be incorporated into a future update to FHA's [Single Family Housing Policy Handbook 4000.1](#).

FHA Extends Temporary COVID-19 Guidance for Verification of Self-Employment; Rental Income; and 203(k) Rehabilitation Escrow Account

[Mortgagee Letter 2021-07](#), *Extension of the End Date for COVID-19 Multisubject: Updated Temporary Guidance for Verification of Self-Employment; Rental Income; 203(k) Rehabilitation Escrow Account*, further extends the various temporary policy guidance initially announced in [ML 2020-24](#), dated July 29, 2020. This ML provides:

- Additional guidance to industry partners regarding the verification of business operations for self-employed borrowers; and
- Extends verification of rental income policy guidance.

These two policy extensions are effective immediately for case numbers assigned on or before June 30, 2021.

Additionally, the extended guidance for the administration of the 203(k) rehabilitation escrow for borrowers in forbearance is effective immediately for open escrow accounts through June 30, 2021.

Quick Links

- Press Release: <https://www.hud.gov/press>
- Mortgagee Letters: https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee
- *Single Family Housing Policy Handbook 4000.1*: https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsgb

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