



FHA INFO #21-101

November 17, 2021

HUD Reinforces Appraisal Fair Housing Compliance and Issues Updated General Appraiser Requirements

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 21-27, Appraisal Fair Housing Compliance and Updated General Appraiser Requirements](#). The ML reinforces the Department of Housing and Urban Development (HUD) and FHA's commitment to preventing racial bias in the valuation of single family properties by clarifying the requirements for the compliance with the Fair Housing Act requirements, which relate to the appraisal process for properties that will serve as security for FHA-insured financing.

The ML clarifies FHA's expectations of appraisers and mortgagees, which are to comply with all applicable anti-discrimination laws, including the Fair Housing Act as they relate to appraisals for FHA Single Family Title II forward and reverse mortgage programs. The guidance in the ML also:

- updates the appraiser's post-approval requirements to emphasize compliance with all applicable laws including the Fair Housing Act and all other federal, state, and local antidiscrimination laws.
- adds clarifying language to the [Single Family Housing Policy Handbook 4000.1](#) (Handbook 4000.1), Sections A.1.a.iii(B)(6)(a) (Appraisal Integrity), and II.A.3.a.v (Quality of Appraisal) to emphasize the requirement for the mortgagee to ensure the appraisal complies with all applicable laws including the Fair Housing Act and all other federal, state, and local antidiscrimination laws.
- restructures Handbook 4000.1, Section II.D.2 (General Appraiser Requirements) to better clarify guidance specific to Nondiscrimination Policy; compliance with FHA guidelines and Uniform Standards of Professional Appraisal Practices; and Appraiser Conduct.

Stakeholders must review and familiarize themselves with the changes outlined in this ML to ensure they are in compliance with the Fair Housing Act and other anti-discriminatory laws. The policy updates noted in today's ML will be incorporated in a future version of Handbook 4000.1.

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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.
- 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

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