



**FHA INFO #21-52**

**June 30, 2021**

### **FHA Announces Revisions to Property and Appraisal Quality Control Review Requirements**

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2021-17, Revisions to Property and Appraisal Quality Control Review Requirements](#). The ML updates FHA Single Family Quality Control (QC) requirements for appraisal field reviews and the evaluation of property and appraisal documentation for all FHA Title II Single Family programs.

It also announces the expiration of the December 4, 2020, [temporary waiver](#) of Single Family QC requirements for appraisal field reviews. The temporary waiver remains in effect for QC reviews currently in process and for cases selected as part of a mortgagee's QC review through June 30, 2021.

FHA initially issued the temporary waiver during the COVID-19 pandemic to provide mortgagees with flexibilities when conducting field reviews of appraisals on FHA-insured mortgages selected for monthly QC. The temporary waiver is no longer needed as the nation transitions out of the COVID-19 national emergency.

The ML also revises policy guidance applicable to mortgages selected for property and appraisal QC review on or after July 1, 2021. Specifically, the ML:

- decreases the appraisal field review requirement for early payment defaults from 100 percent to 10 percent;
- reinforces appraisal field review requirements for discretionary targeting and other specific risk factors; and
- clarifies property and appraisal QC review guidelines.

This updated policy guidance is intended to reduce mortgage origination costs and help expand access to mortgage credit to more borrowers while continuing to mitigate risk to FHA through targeted appraisal field review requirements.

The policies announced in today's ML 2021-17 will be incorporated into a future update of FHA's [Single Family Housing Policy Handbook 4000.1](#).

## Quick Links

- Mortgagee Letters:  
[https://www.hud.gov/program\\_offices/administration/hudclips/letters/mortgagee](https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee)
- Single Family policy waivers under the “Single Family” section:  
[hud.gov/program\\_offices/administration/hudclips/waivers](https://www.hud.gov/program_offices/administration/hudclips/waivers)
- Online or PDF versions of Handbook 4000.1:  
[hud.gov/program\\_offices/administration/hudclips/handbooks/hsgb](https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsgb)

## 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](https://www.hud.gov/answers).
- E-mail [answers@hud.gov](mailto: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 Administrations (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](https://www.hud.gov)

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



SUBSCRIBER SERVICES:  
[Manage Subscriptions](#) | [Help](#)