



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

**Date: December 23, 2025**

**Mortgagee Letter 2025-24**

**To:** All FHA-Approved Mortgagees  
All Direct Endorsement Underwriters  
All Eligible Submission Sources for Condominium Project Approvals  
All FHA Roster Appraisers  
All FHA-Approved 203(k) Consultants  
All FHA-Approved Title I Lenders  
All HUD-Certified Housing Counselors  
All HUD-Approved Nonprofit Organizations  
All Governmental Entity Participants  
All Real Estate Brokers  
All Closing Agents

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**Subject** Updates to FHA Appraiser Roster Management

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**Purpose** This Mortgagee Letter (ML) updates policies and procedures for appraiser roster management to ensure the FHA Appraiser Roster remains accurate and reliable over time.

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**Effective Date** The provisions of this ML are effective immediately.

All updates will be incorporated into a forthcoming update of the HUD Handbook 4000.1, *FHA Single Family Housing Policy Handbook* (Handbook 4000.1).

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**Affected Programs** The provisions of this ML apply to FHA-insured Single-Family Title II forward mortgage and Home Equity Conversion Mortgage (HECM) programs.

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**Background** To perform FHA appraisals, an appraiser must meet and maintain certain minimum qualifying eligibility requirements. FHA maintains a list of Appraisers in FHA Connection (FHAC) who have satisfied these requirements and are qualified for placement on the FHA Appraiser Roster.

Once an Appraiser has successfully completed the application and been placed on the roster, they are maintained in FHA systems and records indefinitely; however, circumstances may change the Appraiser's eligibility to perform FHA appraisals.

With this ML, HUD is updating policy to provide better clarity and easier identification of an FHA Roster Appraiser's status and to align FHA policies, processes, and systems.

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**Summary of Changes**

This ML:

- updates Form HUD-92563-A, *Application for Roster Personnel Designation* (I.B.1.c.ii(A));
- updates the FHA Roster Appraiser documentation requirement for State Certification (I.B.1.c.ii(B));
- updates Renewal and Maintenance (I.B.1.d);
- updates Post-approval Requirements (I.B.1.e);
- updates Remedial Education – Standard (V.E.5.e.i(B)); and
- updates Removal (V.E.5.e.i(C)).

The Handbook 4000.1 sections impacted by this ML are provided in [Attachment 1](#), with changes tracked in redline to help users clearly identify the policy requirements being revised or removed from the Handbook.

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**FHA Single Family Housing Policy Handbook 4000.1**

The policy changes will be incorporated into Handbook 4000.1 as follows:

**Submitting the Application and Required Documentation (I.B.1.c.ii)**

**(A) Form HUD-92563-A, *Application for Roster Personnel Designation***

**Doing Business with FHA**

The appraiser must complete form HUD-92563-A, *Application for Roster Personnel Designation*, on-line and electronically sign in FHAC.

The appraiser must certify that the appraiser has “read and fully understands and will comply with *FHA Single Family Housing Policy Handbook* (Handbook 4000.1), and *FHA Single Family Housing Appraisal Report and Data Delivery Guide*.”

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**Submitting the Application and Required Documentation (I.B.1.c.ii)**

**(B) State Certification**

The appraiser must provide a PDF image of their current state-issued certification for each state in which the appraiser holds a valid certification. A

PDF image of the credential must be uploaded to FHAC with:

- the initial application;
- the addition of each any new state credentials; and
- the upgrade of credential levels.

A copy of the current credential is not required for renewals.

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## **FHA Appraiser Roster (I.B.1)**

### **d. Renewal and Maintenance**

FHA Appraiser Roster credential records in [FHA Connection \(FHAC\)](#) are automatically validated with the Appraisal Subcommittee's (ASC) National Registry records and may be updated only when ASC records match the renewal expiration date. Failure of the Appraiser to renew in a timely manner may result in the Appraiser becoming ineligible in the state until the renewed licensing information is validated with the ASC National Registry. Appraisers are expected to confirm their renewals have been reported to ASC and updated in the FHA Appraiser Roster. The Appraiser's name in FHAC must match the ASC National Registry exactly to facilitate automated updates.

FHA will invalidate a state credential in FHAC 30 Days past the expiration date in the ASC National Registry. During this period, Appraisers may continue performing FHA assignments only when they have a valid renewal issued from the state with a credential expiration date after the effective date of the appraisal. Any appraisals performed beyond 30 Days from the state license expiration date in FHAC will receive an unsuccessful submission status in the Electronic Appraisal Delivery (EAD) portal.

An inactive Appraiser account may be placed in an archived, read-only status when all of the credentials have expired for at least six months. Appraisers may request reactivation when they have at least one valid state-issued credential by emailing the FHA Resource Center at [answers@hud.gov](mailto:answers@hud.gov) with the following subject line: "FHA Roster Appraiser Credential Renewal".

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## **FHA Appraiser Roster (I.B.1)**

### **e. Post-approval Requirements**

Once an Appraiser is approved for placement on the FHA Appraiser Roster, the Appraiser is assigned a unique FHA Appraiser ID in [FHA Connection \(FHAC\)](#).

When completing any FHA assignment, the Appraiser must have a valid appraisal credential and be in good standing on the FHA Appraiser Roster for

the state in which the Property is located.

The Appraiser may obtain a CHUMS account for FHAC access and must maintain their personal and business information in FHAC. They must also fully conform with [Eligibility Requirements](#) (I.B.1.c.i) and comply with the following requirements and restrictions.

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**FHA Single  
Family Housing  
Policy  
Handbook  
4000.1**

**Quality Control,  
Oversight, and  
Compliance**

**Remedial Education (V.E.5.e.i(B))**

**(1) Standard**

FHA may require an Appraiser to take remedial education on appraisal-related topics for failure to comply with the requirements outlined in this Handbook 4000.1.

The Appraiser must complete remedial education within 60 Days of the date of notification and provide proof of successful completion. Failure to comply with a remedial education action may result in escalation of the [FHA Appraiser Roster](#) action to an administrative removal sanction with ineligible status due to discipline until the conditions of the original action have been satisfied.

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**Removal (V.E.5.e.i(C))**

**(1) Definition**

Removal refers to an Appraiser being placed in ineligible status on the [FHA Appraiser Roster](#).

**(2) Standard**

The Appraiser will be ineligible to conduct appraisals for all FHA purposes from the date the sanction was imposed until the Appraiser satisfies the conditions of the removal and is reinstated to good standing on the [FHA Appraiser Roster](#).

FHA may remove an Appraiser's eligibility from the [FHA Appraiser Roster](#) for failure to comply with the requirements outlined in this Handbook 4000.1. The Appraiser may be required to take remedial education in addition to the removal.

The expiration of a state-issued credential may affect eligibility within the state of the credential and FHA will suspend the Appraiser's state credential eligibility in FHAC. However, the suspension for an expired credential is not a removal sanction; the Appraiser will be eligible to conduct appraisals in any other state in which the Appraiser has a valid credential on the [FHA Appraiser Roster](#).

Appraiser Roster. See [Renewal and Maintenance](#) and [FHA Connection \(FHAC\)](#) for applicable eligibility guidance.

FHA will notify the state licensing or certification agency in writing when an Appraiser has received a final notice of removal from the FHA Appraiser Roster. HUD **will** refer Appraisers to these boards if HUD considers the actions to be of such magnitude or frequency as to warrant such referral.

### **3) Causes**

Causes for removal include, but are not limited to, any of the following:

- significant deficiencies in appraisals, including noncompliance with Civil Rights requirements regarding appraisals;
- losing standing as a state-certified Appraiser due to disciplinary action in any state in which the Appraiser is certified
- prosecution for committing, attempting to commit, or conspiring to commit fraud, misrepresentation, or any other offense that may reflect on the Appraiser's character or integrity;
- failure to perform appraisal functions in accordance with instructions and standards issued by HUD;
- failure to comply with any agreement made between the Appraiser and HUD or with any certification made by the Appraiser;
- issuance of a final debarment, suspension, or limited denial of participation;
- failure to maintain eligibility requirements for placement on the Appraiser Roster as set forth under this subpart or any other instructions or standards issued by HUD; or
- failure to comply with HUD-imposed education requirements.

### **(4) Notice**

An appraiser that is debarred, suspended, subject to a limited denial of participation, has lost standing as a state-certified Appraiser due to disciplinary action, or has failed to comply with HUD-imposed education requirements will be **administratively** removed from [FHA Appraiser Roster eligibility](#) and notified of the removal.

An appraiser that has lost standing as a state-certified Appraiser due to expiration of the state-issued certification will be suspended from FHA Appraiser Roster eligibility in the jurisdiction in which the certification elapsed and notified of the suspension.

In all other cases, the Appraiser will be given written notice of the proposed removal, and the notice will include the reasons for the proposed removal and the duration of the proposed removal.

## **(5) Appeal**

The Appraiser will have 20 Days from the date of the notice of **proposed** removal to submit a written response appealing the proposed removal and to request a conference. A request for a conference must be in writing and must be submitted along with a written response.

Within 30 Days of FHA's receipt of the Appraiser's written response, or if the Appraiser has requested a conference, within 30 Days after the completion of the conference, an FHA official, designated by the Secretary, will review the appeal and send a final decision either affirming, modifying, or canceling the **proposed** removal from the Appraiser Roster. FHA may extend this time upon giving notice. The FHA official designated by the Secretary to review the appeal will not be someone involved in FHA's initial removal decision, nor will it be someone who reports to a person involved in that initial decision.

If the Appraiser does not submit a written response, the removal will be effective 20 Days after the date of FHA's initial removal notice. If the Appraiser submits a written response, and the removal decision is affirmed or modified, the removal or modification will be effective on the date of FHA's notice affirming or modifying the initial removal decision.

## **(6) Duration**

Removal **of eligibility** from the [FHA Appraiser Roster](#) may be for a period of up to 12 months.

**When a** removal is the result of a disciplinary action by the licensing state, removal **of eligibility** from the [FHA Appraiser Roster](#) will remain in effect until the appraiser's credentials are reinstated by the issuing state.

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### **Paperwork Reduction Act**

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501-3520) and assigned OMB control numbers 2502-0005; 2502-0059; 2502-0117; 2502-0189; 2502-0302; 2502-0306; 2502-0322; 2502-0328; 2502-0358; 2502-0404; 2502-0414; 2502-0429; 2502-0494; 2502-0496; 2502-0524; 2502-0525; 2502-0527; 2502-0538; 2502-0540; 2502-0556; 2502-0561; 2502-0566; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0600; 2502-0610; and 2502-0611. In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

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## Mortgagee Letter 2025-24, Continued

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### Feedback or Questions

HUD welcomes feedback from interested parties and will consider feedback in determining the need for future updates. Any feedback or questions regarding this ML may be directed to the FHA Resource Center at 1-800-CALLFHA (1-800-225-5342), [answers@hud.gov](mailto:answers@hud.gov), or [www.hud.gov/answers](http://www.hud.gov/answers). The FHA Resource Center is prepared to accept calls from persons who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. Information on how to make an accessible phone call is available at <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

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### Signature

Frank Cassidy  
Principal Deputy Assistant Secretary for Housing

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**Attachment 1**  
**Handbook 4000.1 Pages Impacted by this Mortgagee Letter**

The Handbook 4000.1 sections impacted by this Mortgagee Letter (ML) are provided in Attachment 1, with changes tracked in redline to help users clearly identify the policy requirements being revised or removed from the Handbook.



**I. DOING BUSINESS WITH FHA**  
**B. Other Participants**  
**1. FHA Appraiser Roster**

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**(C) Licensing Requirement**

The Appraiser must be a state-certified residential or state-certified general Appraiser. The Appraiser must maintain and be able to prove certification in all states in which the Appraiser performs appraisals.

**ii. Submitting the Application and Required Documentation**

The appraiser must submit applications electronically through [FHA Connection \(FHAC\)](#) and follow the [FHA Appraiser Roster Application Instructions](#).

**(A) Form HUD-92563-A, *Application for Roster Personnel Designation***

The appraiser must complete form HUD-92563-A, *Application for Roster Personnel Designation*, **on-line and electronically sign** in FHAC. ~~The appraiser must sign this form, scan it, and save it in a PDF format for delivery to FHA.~~

The appraiser must certify that the appraiser has “read and fully understands and will comply with *FHA Single Family Housing Policy Handbook* (Handbook 4000.1), and *FHA Single Family Housing Appraisal Report and Data Delivery Guide*.”

**(B) State Certification**

The appraiser must provide a PDF image of their current state-issued certification for each state in which the appraiser ~~is certified~~ **holds a valid certification. A PDF image of the credential must be uploaded to FHA Connection (FHAC) with:**

- **the initial application;**
- **the addition of any new state credentials; and**
- **the upgrade of credential levels.**

**A copy of the current credential is not required for renewals.**

**(C) Pending or Settled Actions**

The applicant must disclose all lawsuits, administrative complaints, Findings, or reports produced in connection with an investigation, audit, or review conducted by HUD, another federal, state, or local governmental agency, or by any other regulatory or oversight entity with jurisdiction over the appraiser, its officers, partners, directors, principals, managers, supervisors, and other agents, that are currently pending or were resolved within two years of the application, including any violations of the Fair Housing Act.

**iii. Processing of Application**

FHA will review all completed applications for approval to determine if the appraiser complies with all eligibility requirements. If FHA requires additional documentation or clarifying information, FHA may request such additional information and provide the

**I. DOING BUSINESS WITH FHA**  
**B. Other Participants**  
**1. FHA Appraiser Roster**

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appraiser with a deadline for response. If the appraiser does not submit a completed application or provide the additional information requested by the specified deadline, FHA may deny approval on this basis.

**iv. Application Approval**

If FHA approves the appraiser's application, the Appraiser's name will appear on the FHA Appraiser Roster.

**v. Application Denial**

Applicants deemed ineligible for placement on the [FHA Appraiser Roster](#) will be notified electronically and provided with the reason(s) for denial.

**d. Renewal**

~~The Appraiser should renew expiring licenses at least 45 Days prior to expiration in order for state records to process the renewal to the ASC National Registry.~~ FHA Appraiser Roster credential records in FHA Connection (FHAC) are based on automatically validated with the Appraisal Subcommittee's (ASC) National Registry records and may be updated only when ASC records match the renewal expiration date. Failure of the Appraiser to renew in a timely manner may result in ~~removal from the FHA Appraiser Roster~~ the Appraiser becoming ineligible in the state until the renewed licensing information is validated with the ASC National Registry. Appraisers are expected to confirm their renewals have been reported to ASC and updated in the FHA Appraiser Roster. The Appraiser's name in FHAC must match the ASC National Registry exactly to facilitate automated updates.

FHA will invalidate a state credential in FHAC 30 Days past the expiration date in the ASC National Registry. During this period, Appraisers may continue performing FHA assignments only when they have a valid renewal issued from the state with a credential expiration date after the effective date of the appraisal. Any appraisals performed beyond 30 Days from the state license expiration date in FHAC will receive an unsuccessful submission status in the Electronic Appraisal Delivery (EAD) portal.

An inactive Appraiser account may be placed in an archived, read-only status when all of the credentials have expired for at least six months. Appraisers may request reactivation when they have at least one valid state-issued credential by emailing the FHA Resource Center at [answers@hud.gov](mailto:answers@hud.gov) with the following subject line: FHA Roster Appraiser Credential Renewal.

**e. Post-approval Requirements**

Once an Appraiser is approved for placement on the FHA Appraiser Roster, the Appraiser is assigned a unique FHA Appraiser ID in FHA Connection (FHAC).

**I. DOING BUSINESS WITH FHA**  
**B. Other Participants**  
**1. FHA Appraiser Roster**

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When completing any FHA assignment, the Appraiser must have a valid appraisal credential and be in good standing on the FHA Appraiser Roster for the state in which the Property is located.

The Appraiser **may obtain a CHUMS account for FHAC access and** must maintain their personal and business information updated in FHAC; **They must also** fully conform with [Eligibility Requirements](#) and comply with the following requirements and restrictions.

**i. Compliance with Law**

The Appraiser's performance must comply with all applicable federal, state, and local laws. The Appraiser must adhere to all state and local laws relating to appraisal, licensing, and certification requirements.

**ii. Appraiser Competency Requirement**

The Appraiser assigned to provide the appraisal must be able to complete an assignment for the property type, assignment type, and geographic location of the subject Property.

The Appraiser must comply with USPAP, including the Competency Rule, when conducting appraisals of Properties intended as security for FHA-insured financing.

**iii. Communications with Appraisers**

An FHA Roster Appraiser must avoid conflicts of interest and the appearance of conflicts of interest. To avoid conflicts of interest and/or the appearance of conflicts of interest, the Appraiser must not be unduly influenced by:

- a member of a Mortgagee's loan production staff or any other person who is compensated based upon the successful completion of a loan; or
- anyone who reports ultimately to any officer of the Mortgagee not independent of the loan production staff and process.

The Appraiser is bound by the confidentiality provisions of USPAP and may not discuss the value or conclusions of the appraisal with anyone other than the Direct Endorsement (DE) underwriter or FHA staff or their representatives. The Appraiser may discuss components of the appraisal that influence its quality and value with the DE underwriter who has responsibility for underwriting the case.

The Appraiser may interact with real estate agents and others, during the normal course of business, to provide property access, information and other market data.

**iv. Appraisal Fees**

The Appraiser and the Mortgagee or Mortgagee-designated third party will negotiate the appraisal fees and due date. FHA does not establish appraisal fees or due dates.

## **V. QUALITY CONTROL, OVERSIGHT, AND COMPLIANCE**

### **E. Enforcement**

#### **5. Actions and Sanctions Against Individuals and Other Program Participants**

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- contractors
- subcontractors
- inspectors

The Assistant Secretary for Housing - Federal Housing Commissioner or its designee is authorized to pursue civil money penalties against program participants who knowingly and materially violate FHA requirements as set forth in [24 CFR § 30.36](#).

#### **e. Specific Program Participants (09/30/2016)**

The following are actions and sanctions available for use in connection with the specific program participant listed.

##### **i. Appraisers**

##### **(A) Notice of Deficiency**

###### **(1) Standard**

A Notice of Deficiency (NOD) refers to a formal notification from FHA to an Appraiser when a review identifies an error or lack of compliance. An NOD is not a sanction and is not considered severe enough to require remedial education or removal.

An NOD is noted on the Appraiser's record and multiple NODs may result in further action by FHA.

###### **(2) Cause**

An Appraiser may receive an NOD if an FHA review has determined gaps in due diligence and professionalism or errors or noncompliance.

###### **(3) Notice**

FHA will provide the Appraiser with written notice outlining deficiencies found in a specific appraisal.

###### **(4) Appeal**

An NOD is not a sanction and no appeal is available.

##### **(B) Remedial Education**

###### **(1) Standard**

FHA may require an Appraiser to take remedial education on appraisal-related topics for failure to comply with the requirements outlined in this Handbook 4000.1.

## V. QUALITY CONTROL, OVERSIGHT, AND COMPLIANCE

### E. Enforcement

#### 5. Actions and Sanctions Against Individuals and Other Program Participants

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The Appraiser must complete remedial education within 60 Days of the date of notification and provide proof of successful completion. Failure to comply with a remedial education action may result in escalation of the [FHA Appraiser Roster](#) action to an administrative [removal](#) sanction, ~~including removal from the FHA Appraiser Roster~~ [with ineligible status due to discipline until the conditions of the original action have been satisfied.](#)

##### (2) Cause

Cause for remedial education includes, but is not limited to, identification of more serious deficiencies in the appraisal report that indicate lack of competence, including incomplete data collection or support for analysis and conclusions.

##### (3) Notice

FHA will provide the Appraiser with written notice of the required remedial education that identifies the ground for the requirement.

##### (4) Appeal

Remedial education is not a sanction and no appeal is available.

#### (C) Removal

##### [\(1\) Definition](#)

[Removal refers to an Appraiser being placed in ineligible status on the FHA Appraiser Roster.](#)

##### ~~(1)~~ [\(2\) Standard](#)

[The Appraiser will be ineligible to conduct appraisals for all FHA purposes from the date the sanction was imposed until the Appraiser satisfies the conditions of the removal and is reinstated to good standing on the FHA Appraiser Roster.](#)

FHA may remove an Appraiser's [eligibility](#) from the [FHA Appraiser Roster](#) for failure to comply with the requirements outlined in this Handbook 4000.1. The Appraiser may be required to take remedial education in addition to the removal.

[The expiration of a state-issued credential may affect eligibility within the state of the credential and FHA will suspend the Appraiser's state credential eligibility in FHAC. However, the suspension for an expired credential is not a removal sanction; the Appraiser will be eligible to conduct appraisals in any other state in which the Appraiser has a valid credential on the FHA Appraiser Roster. See](#)

## V. QUALITY CONTROL, OVERSIGHT, AND COMPLIANCE

### E. Enforcement

#### 5. Actions and Sanctions Against Individuals and Other Program Participants

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**Renewal and Maintenance and FHA Connection (FHAC) for applicable eligibility guidance.**

FHA will notify the state licensing or certification agency in writing when an Appraiser has received a final notice of removal from the FHA Appraiser Roster. HUD **will** ~~is required by law to~~ refer Appraisers to these boards if HUD considers the actions to be of such magnitude or frequency as to warrant such referral.

#### **(2)(3) Causes**

Causes for removal include, but are not limited to, any of the following:

- significant deficiencies in appraisals, including noncompliance with Civil Rights requirements regarding appraisals;
- losing standing as a state-certified Appraiser due to disciplinary action in any state in which the Appraiser is certified;
- prosecution for committing, attempting to commit, or conspiring to commit fraud, misrepresentation, or any other offense that may reflect on the Appraiser's character or integrity;
- failure to perform appraisal functions in accordance with instructions and standards issued by HUD;
- failure to comply with any agreement made between the Appraiser and HUD or with any certification made by the Appraiser;
- issuance of a final debarment, suspension, or limited denial of participation;
- failure to maintain eligibility requirements for placement on the Appraiser Roster as set forth under this subpart or any other instructions or standards issued by HUD; or
- failure to comply with HUD-imposed education requirements.

#### **(3)(4) Notice**

An Appraiser that is debarred, suspended, subject to a limited denial of participation, ~~or~~ has lost standing as a state-certified Appraiser due to disciplinary action, **or has failed to comply with HUD-imposed education requirements,** ~~or expiration of a state certification,~~ will be **automatically administratively** removed **of from the** FHA Appraiser Roster **eligibility** and notified of the removal.

**An appraiser that has lost standing as a state-certified Appraiser due to expiration of the state-issued certification will be suspended from FHA Appraiser Roster eligibility in the jurisdiction in which the certification elapsed and notified of the suspension.**

In all other cases, the Appraiser will be given written notice of the proposed removal, and the notice will include the reasons for the proposed removal and the duration of the proposed removal.

## V. QUALITY CONTROL, OVERSIGHT, AND COMPLIANCE

### E. Enforcement

#### 5. Actions and Sanctions Against Individuals and Other Program Participants

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##### ~~(4)~~(5) Appeal

The Appraiser will have 20 Days from the date of the notice of **proposed** removal to submit a written response appealing the proposed removal and to request a conference. A request for a conference must be in writing and must be submitted along with a written response. Within 30 Days of FHA's receipt of the Appraiser's written response, or if the Appraiser has requested a conference, within 30 Days after the completion of the conference, an FHA official, designated by the Secretary, will review the appeal and ~~will~~ send a final decision either affirming, modifying, or canceling the **proposed** removal from the Appraiser Roster. FHA may extend this time upon giving notice. The FHA official designated by the Secretary to review the appeal will not be someone involved in FHA's initial removal decision, nor will it be someone who reports to a person involved in that initial decision.

If the Appraiser does not submit a written response, the removal will be effective 20 Days after the date of FHA's initial removal notice. If the Appraiser submits a written response, and the removal decision is affirmed or modified, the removal or modification will be effective on the date of FHA's notice affirming or modifying the initial removal decision.

##### ~~(5)~~(6) Duration

Removal **of eligibility** from the [FHA Appraiser Roster](#) may be for a period of up to 12 months.

**When a** ~~If~~ removal is the result of expiration or a disciplinary action by the licensing state, removal **of eligibility** from the [FHA Appraiser Roster](#) will remain in effect until the appraisal credentials are reinstated by the issuing state.

## ii. 203(k) Consultants

### Removal

#### (A) Standard

FHA may remove a Consultant from the Roster for any cause that HUD determines to be detrimental to HUD or its programs.

#### (B) Cause

Cause for removal includes:

- poor performance on a HUD QC review;
- failure to comply with applicable regulations or other written instructions or standards issued by HUD;
- failure to comply with applicable civil rights requirements;
- misrepresentation or fraudulent statements;

## **V. QUALITY CONTROL, OVERSIGHT, AND COMPLIANCE**

### **E. Enforcement**

#### **5. Actions and Sanctions Against Individuals and Other Program Participants**

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- failure to retain standing as a state-licensed architect or state-licensed engineer (unless the Consultant can demonstrate the required three years of experience as a home inspector or remodeling contractor);
- failure to retain standing as a state-licensed home inspector, if the Consultant is located in a state that requires such licensing; or
- failure to respond within a reasonable time to HUD inquiries or requests for documentation.

A 203(k) Consultant who is debarred or suspended, subject to a Limited Denial of Participation (LDP), or otherwise ineligible to participate in an FHA transaction will be removed from the Roster.