

FHA INFO #12-82

Distribution Date: September 14, 2012

New FHA Mortgagee Letter (ML 12-18) / Non-Residential/Commercial Space Exceptions

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**New FHA Mortgagee Letter:**

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WASHINGTON, DC 20410-8000  
ASSISTANT SECRETARY FOR HOUSING FEDERAL HOUSING COMMISSIONER

Date: September 13, 2012

To: All Approved Mortgagees, All FHA Roster Appraisers

Mortgagee Letter 2012-18

Subject: Temporary Approval Provisions for the Federal Housing Administration (FHA) Condominium Project Approval Process

Purpose: This Mortgagee Letter (ML) puts in place temporary condominium project approval guidance changes to some of the current FHA condominium approval policy provisions. These changes replace, for the period specified by this ML, certain approval requirements specifically identified in this ML that were established in ML 11-22 and the attached Condominium Project Approval and Processing Guide (Guide). It was determined that certain policy adjustments were needed to address current housing market conditions.

To read this mortgagee letter and any attachments in their entirety, please visit: <http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/> view the 2012 letters and click on the letter of your choice. Mortgagee letters from previous years can be found on the same page.

**Non-Residential/Commercial Space Exception Requests:**

Exception requests > 25% but ≤ 35% must be submitted with the approval, re-approval, recertification or reconsideration package to the jurisdictional Homeownership Center. The list of mailing addresses for the HOCs is located on page 76 of the Condominium Project Approval and Processing Guide and may be accessed using the following link: <http://portal.hud.gov/hudportal/documents/huddoc?id=11-22mlguide.pdf>

Exception requests for mixed-use developments unable to satisfy the 25 and or 35 percent space requirements must be submitted with the approval, re-approval, recertification or reconsideration package to the Philadelphia Homeownership Center to Attention: Processing and Underwriting Division – Technical Branch 1. The mailing address for the Philadelphia HOC is located on page 76 of the Condominium Project Approval and Processing Guide and may be accessed using the following link: <http://portal.hud.gov/hudportal/documents/huddoc?id=11-22mlguide.pdf>

**FAQs:**

FAQs have been prepared and may be viewed on the Condominium Mortgage Insurance webpage using the following link: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/condo](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/condo)