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August 17, 2015

FHA Single Family Housing   NEWS

TO: All FHA-Approved Mortgagees, Appraisers, and Other Stakeholders

NEWS AND UPDATES

In this Announcement:

- • Supplemental Performance Metric Implemented in Neighborhood Watch Early Warning System
- • Now Open! Electronic Appraisal Delivery (EAD) Portal Mortgagee Onboarding Phase Registration

See below for details.

Supplemental Performance Metric Implemented in Neighborhood Watch Early Warning System

Today, the Federal Housing Administration (FHA) made its Supplemental Performance Metric score available to FHA-approved mortgagees through its Neighborhood Watch Early Warning System. The Supplemental Performance Metric compares mortgagee performance to a targeted risk mix and default rate, weighting defaults within three different credit bands. Part of FHA's Quality Assurance Framework in its *Blueprint for Access* strategy, the Supplemental Performance Metric provides a more transparent picture and a broader analysis of a mortgagee's performance on their FHA-insured book of business**.**

Implementing the Supplemental Performance Metric reinforces FHA's belief that a number of factors are relevant to, and indicative of, a mortgagee's performance, and addresses mortgagee feedback that a mortgagee's performance cannot be summarized by its FHA Compare Ratio alone.

The Supplemental Performance Metric available today:
- • Compares a mortgagee's actual default rate against their mix adjusted default rate using FHA's benchmark seriously delinquent rate.
- • Will be used in the context of FHA's Credit Watch Termination Initiative as an additional compensating factor *after* the Compare Ratio is calculated in accordance with current FHA policy.

Additional information about the Supplemental Performance Metric and how FHA calculates the metric can be found in the Supplemental Performance Metric fact sheet posted today on the Lender Performance web page on HUD.gov.

Quick Links

- • Access Supplemental Performance Metric scores from the Neighborhood Watch public site at: https://entp.hud.gov/sfnw/public/.

- Get more details about the calculation and methodology behind the Supplemental Performance Metric in FHA's online [fact sheet](#) on the Lender Performance web page at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/lender/SFH_LEND_Performance
- Find out more about FHA's Neighborhood Watch Early Warning System at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/lender/nw_home

Now Open! Electronic Appraisal Delivery (EAD) Portal Mortgagee Onboarding Phase Registration

Today, the Federal Housing Administration (FHA) opened its Electronic Appraisal Delivery (EAD) portal mortgagee onboarding phase registration capability in its FHA Connection (FHAC) system. Beginning today, mortgagees can register to participate in one of seven available onboarding phases.

To begin using the EAD portal for electronic transmission of appraisals to FHA on or before the portal's June 27, 2016 mandatory use date, mortgagees must register for and participate in an onboarding phase. The first phase begins on October 15, 2015, with additional phases beginning each month and running through the first half of 2016. Information on the onboarding phases, and how to register for a phase in FHAC, is available on FHA's EAD Portal [Mortgagee Onboarding Process](#) web page.

FHA strongly encourages mortgagees to register for the earliest possible onboarding phase, and to do so as soon as possible. By migrating to portal use in an early onboarding phase, a mortgagee will have more time to work within the EAD portal to ensure that their systems, data flow, and operational processes map to portal requirements before the mandatory use date.

Onboarding Preparation
To prepare for onboarding, mortgagees should view the EAD portal pre-recorded, self-paced training resources ahead of the start of their onboarding phase. The following modules are accessible from FHA's [Single Family Archived Webinars](#) web page:

- FHA Training for Lender Users: [100 – FHA Electronic Appraisal Delivery (EAD) Portal](#)
- FHA Training for Lender Administrators: [101 – FHA Electronic Appraisal Delivery (EAD) Portal](#)

Attention Appraisers: Are You Ready for the EAD Portal?
FHA has been working with the appraisal software companies to ensure that their desktop appraisal forms and review rules are updated to comply with FHA appraisal reporting policies for the EAD. FHA Roster Appraisers are encouraged to contact their software vendor to determine how they can get set up with the available updates needed for FHA delivery.

Quick Links

- Review the EAD portal [Mortgagee Onboarding Process](#) web page at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/lender/origination/ead/onboarding.
- Access fact sheets and user guides available on the EAD Portal main web pages at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/lender/origination/ead:
  — *FHA [EAD Lender Administrator](#) and FHA [EAD General User](#) guides*
  — *Onboarding to the EAD fact sheet*
  — *EAD Administrator Role fact sheet*
  — *EAD Overview, EAD Hard Stop Checks and Error Messages, and EAD Data Formats and Forms fact sheets*

- View Mortgagee Letter 2015-08 at http://portal.hud.gov/hudportal/documents/huddoc?id=15-08ml.pdf

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Resources

- Contact the FHA Resource Center:
  - Visit our online knowledge base to obtain answers to frequently asked questions 24/7 at www.hud.gov/answers.
  - E-mail the FHA Resource Center at 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 Information Relay Service at 1-800-877-8339.

RESOURCE INFORMATION	
FHA INFO Archives:	Visit the FHA INFO Archives to access FHA INFO messages issued from 2012 to the present.
Subscribe/Unsubscribe Instructions:	To subscribe to the Single Family FHA INFO mailing list you can use this link: FHA INFO or send a request by email to: answers@hud.gov Bulk subscriptions: To sign up your entire office or a large group, send the list of email addresses (in the format below) to: answers@hud.gov aaa@xyz.com bbb@xyz.com ccc@xyz.com To Unsubscribe follow the unsubscribe instructions on that page.
Resource Links:	Archived Webinars Foreclosure Assistance Career Opportunities Grant Opportunities Contracting Opportunities HUD Homes Property Listings Events & Training HUD.gov FHA Forms Making Home Affordable FHA Homeownership Centers Presidentially Declared Disaster Areas FHA Mortgagee Letters Visit our Single Family Home Page