

FHA INFO #15-66

August 26, 2015



TO: All FHA-Approved Mortgagees and All Other Interested Stakeholders

NEWS AND UPDATES

In this Announcement:

- Additional Sections of FHA's *Single Family Housing Policy Handbook* (SF Handbook; HUD Handbook 4000.1) Publish:
 - *Doing Business with FHA—Other Participants in FHA Transactions*
 - *Quality Control, Oversight and Compliance—Other Participants in FHA Transactions*
 - *HUD Real Estate Owned (REO) Purchasing*
- New Model Document for 203(k) Consultants

See below for details.

FHA Publishes *Other Participants in FHA Transactions* Sections of *Doing Business with FHA* and *Quality Control, Oversight and Compliance*

Today, the Federal Housing Administration (FHA) published its *Doing Business with FHA—Other Participants in FHA Transactions* and *Quality Control, Oversight and Compliance—Other Participants in FHA Transactions* subsections of the [Single Family Housing Policy Handbook](#) (SF Handbook; HUD Handbook 4000.1).

These published sections cover the eligibility, approval, and recertification requirements, as well as the quality control, monitoring, and enforcement policies for the following stakeholders in FHA transactions:

- 203(k) Consultants;
- Direct Endorsement (DE) Underwriters; and
- Nonprofits and Governmental Entities.

At publishing, the Other Participants sections were incorporated into their respective *Doing Business with FHA* and *Quality Control, Oversight and Compliance* SF Handbook sections.

These newly published sections—which are available both online and in portable document format (PDF) on [HUD's Client Information Policy Systems \(HUDCLIPS\)](#) web page—are part of the series of SF Handbook updates and additions that continue FHA's progress toward a single, authoritative source of Single Family Housing policy. The policies for 203 (k) Consultants and DE Underwriters subsections become effective on or after March 14, 2016. Policies for Nonprofits and Governmental Entities become effective on March 14, 2016.

Quick Links

- Access both the online and PDF versions of SF Policy Handbook 4000.1 from the *Single Family Housing Policy* information Page at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1
- View the newly revised SF Handbook Frequently Asked Questions at: http://portal.hud.gov/hudportal/documents/huddoc?id=SFH_FAQ_Preview.pdf

HUD Real Estate Owned (REO) Purchasing

Today, the Federal Housing Administration published its *Department of Housing and Urban Development (HUD) Real Estate Owned Purchasing* (HUD REO Purchasing) section of the [Single Family Housing Policy Handbook](#) (SF Handbook; HUD Handbook 4000.1). All SF Handbook updates and additions associated with this publication can be found in [Mortgagee Letter 15-17](#), “*HUD REO Purchasing*”, which details the new changes to current policy, including:

- REO Appraisal;
- Ordering a new appraisal;
- Responsibility for determination of compliance of property with Minimum Property Requirements;
- Loan-To-value ratio for investment properties;
- Maximum mortgage amount; and
- Financing Upfront Mortgage Insurance Premium on \$100 Down loans.

Additionally, Mortgagee Letter 15-17 rescinds the changes to the calculation of the maximum mortgage amount for the purchase of HUD REO property established in Mortgagee Letter 2013-44.

It is important to note that the HUD REO Purchasing section contains policies for mortgagees originating a new mortgage for the purchase of a HUD REO property. It does not contain policies or guidance for servicers, real estate professionals, and others for managing and/or selling HUD REO properties. This guidance will be included in the Property Disposition section of the SF Handbook, which will be posted for feedback at a later date.

Quick Links

- Read Mortgagee Letter 2015-17 at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee
- Access both the online and PDF versions of SF Policy Handbook 4000.1 from the *Single Family Housing Policy* information Page at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1
- View the newly revised SF Handbook Frequently Asked Questions at: http://portal.hud.gov/hudportal/documents/huddoc?id=SFH_FAQ_Preview.pdf

New Model Document for 203(k) Consultants

Today, the Federal Housing Administration (FHA) posted a new [203\(k\) Consultant Roster Certification Form](#) to correspond with requirements contained in *Doing Business with FHA—Other Participants - 203(k) Consultant* subsection. 203(k) Consultants may begin using the model form immediately; however, the certification **must** be used by the March 14, 2016 effective date of the SF Handbook’s *Doing Business with FHA—Other Participants - 203(k) Consultant* section.

Also attached is a revised version of the Land Use Restriction Addendum (LURA) for use by Nonprofits and Government Entities in conjunction with the HUD REO Sales contract. The revised LURA becomes effective on March 14, 2016. Until such time, Nonprofits and Government Entities should continue to use the [existing Land Use Restriction Addendum](#), which is Appendix B of Mortgage Letter 2001-30, dated December 31, 2001.

The new and revised form and addendum documents can be found on the [Single Family Mortgages Model Documents](#) web page.

Quick Links

- View the [Single Family Mortgages Model Documents](#) web page at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/model_documents
- View the current Land Use Restriction Addendum, which is Appendix B of Mortgage Letter 2001-30 at: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_35868.pdf

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:	<p>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</p> <p>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</p> <p>aaa@xyz.com bbb@xyz.com ccc@xyz.com</p> <p>To Unsubscribe follow the unsubscribe instructions on that page.</p>	
Resource Links:	Archived Webinars Career Opportunities Contracting Opportunities Events & Training FHA Forms FHA Homeownership Centers FHA Mortgagee Letters	Foreclosure Assistance Grant Opportunities HUD Homes Property Listings HUD.gov Making Home Affordable Presidentially Declared Disaster Areas Visit our Single Family Home Page



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