



Bankers Advisory

COMPLIANCE MONITOR

June 30, 2016

FHA Publishes Update to Handbook 4000.1

By Anna DeSimone

June 30, 2016, HUD issued a Transmittal Memorandum to the following entities:

- All FHA Approved Mortgagees
- All Direct Endorsement Underwriters
- All FHA Roster Appraisers
- All FHA Roster Inspectors
- All FHA Approved 203(k) Consultants
- All HUD Approved Housing Counselors
- All HUD Approved Nonprofit Organizations
- All Governmental Entity Participants
- All Real Estate Brokers
- All Closing Agents

The information provided is reproduced below:

1. This Transmits:

The incorporation of previously published updates to Handbook 4000.1, FHA Single Family Housing Policy Handbook.

2. Explanation of Materials Transmitted:

This revision to the FHA Single Family Housing Policy Handbook, or Handbook 4000.1 (Handbook), is being published to update existing sections. To prepare for future publications of additional sections of the Handbook, changes to the table of contents in Section II, as previously announced on March 14, 2016, have been made as noted below:

II. Origination Through Post-Closing/Endorsement

- A. Title II Insured Housing Programs Forward Mortgages
- B. Title II Insured Housing Programs Reverse Mortgages (Previously Section II.C)
- C. Condominium Project Approvals (Previously Section II.D)
- D. Appraiser and Property Requirements for Title II Forward and Reverse Mortgages (Previously Section II.B)
- E. Title I Insured Programs
- F. Appraiser and Property Requirements for Title I

Additionally, below is a list of content updates being made to the Handbook:

Handbook Section	Handbook Changes	Page Number
Section II – Origination Through Post-Closing/Endorsement		
<u>II.A.1.a.i(A)(4)(c)(vi)</u> Single Use of Signature	Added reference to Waiver Related to Single Use of Signatures	111
<u>II.A.1.a.iii(B)(10)</u> Appraisal Delivery – Electronic Appraisal Delivery Portal (b) Standard; <u>II.A.7.d.ii(C)</u> Uniform Case Binder Stacking Order; <u>II.D.3</u> Acceptable Appraisal Reporting Forms and Protocols	Updated Electronic Appraisal Delivery guidance to reflect effective date of June 27, 2016, as announced in ML 15-08, published on March 26, 2015	128, 347, 474
<u>II.A.4.b.iv(G)</u> Deferred Obligations (TOTAL); <u>II.A.4.b.iv(H)</u> Student Loans (TOTAL); <u>II.A.4.b.iv(I)</u> Installment Loans (TOTAL); <u>II.A.5.a.iv(F)</u> Deferred Obligations (Manual); <u>II.A.5.a.iv(G)</u> Student Loans (Manual); <u>II.A.5.a.iv(H)</u> Installment Loans (Manual)	Added underwriting guidance for student loans as announced in ML 16-08, published on date April 13, 2016	184, 185, 257, 258, 259
<u>II.A.5.a.ii(B)(1)</u> Non-Traditional Mortgage Credit Report (b) Standard; <u>II.A.6.a.viii(B)</u> Repair Completion Escrow Requirement; <u>II.A.8.a.vii(H)(2)</u> Written Proposal and Cost Estimates; <u>II.A.8.a.xvi</u> Data Delivery/203(k) Calculator; <u>II.A.8.n</u> Assumptions; <u>II.A.8.o</u> HUD Real Estate Owned Purchasing	Edited or removed effective date language	245, 335, 369, 379, 450, 453

3. Implementation:

All updates made to the Handbook are effective immediately, and does not change any previously announced effective dates.

4. Superseded Policy:

Previous versions of Handbook 4000.1 are amended as described in this Transmittal. Below is a list of Mortgage Letters, Housing Notices, and/or Handbooks containing content related to these sections of Handbook 4000.1 that are hereby superseded in their entirety and are cancelled on June 30, 2016. All previously superseded or cancelled Mortgage Letters, Housing Notices, and/or Handbooks remain cancelled or superseded, but will continue to be available for informational purposes only on HUD's website along with the items listed below. Policy documents that have been superseded in full by the Handbook can always be found on HUD's Client Information Policy Systems (HUDClips) web pages, accessible from the Single Family Housing Superseded Policy Documents page at

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/sfhsuperseded

Mortgage Letter(s) Superseded in Whole	ML Number
Student Loans	2016-08
Electronic Appraisal Delivery (EAD) portal for Federal Housing Administration (FHA) Insured Single Family Mortgages	2015-08

About the Author

Anna DeSimone is President and Founder of Bankers Advisory and Principal of CliftonLarsonAllen LLP. She can be reached at Anna@bankersadvisory.com