



FHA Single Family Housing Policy Handbook (SF Handbook)

Draft Application through Endorsement Posting

Frequently Asked Questions

Last Updated: October 29, 2013

FAQ #1: Handbook Development Process

Q. What is FHA Single Family Housing's new Handbook?

A. FHA's Office of Single Family Housing is developing a new *FHA Single Family Housing Policy Handbook* (SF Handbook) that will serve as a single, authoritative source for FHA Single Family Housing policy. FHA is combining the content from our numerous existing handbooks and hundreds of Mortgagee Letters using clear and direct language. The completed SF Handbook will make it easier to do business with FHA, to digest and implement Single Family policy change, and to quickly find needed information.

The SF Handbook will be completed in phases. The entire SF Handbook, when complete, will include all Single Family Housing business requirements, including origination, servicing, REO/Claims, and quality control. The SF Handbook will also include eligibility requirements to do business with FHA, as well as compliance requirements.

The draft of the *Application through Endorsement* (Title II forward mortgages) section will be the first phase posted. FHA intends to finalize and publish the official *Application through Endorsement* section in early 2014, with an anticipated effective date sometime in the late spring of 2014.

Along with the SF Handbook, FHA will also be adopting a variety of standard formats for policy and business communications.

FAQ#2: Overview of First Phase

Q. Why is FHA Single Family Housing posting this draft?

A. We are posting this draft of the first section of the SF Handbook to allow stakeholders the ability to review the section and provide feedback. **Feedback is voluntary.** FHA will accept feedback on this draft *Application through Endorsement* section through **November 29, 2013**. For further information on how to provide feedback, please visit FHA's new "Drafting Table" web page at http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/SFH_policy_drafts.



FAQ #3: Location of Draft Section**Q. Where can I find the draft *Application through Endorsement* section?**

A. The draft section was posted on October 29, 2013 and will be available to review and provide feedback until November 29, 2013. Anyone choosing to review and provide feedback can find the draft section on FHA's new "Drafting Table" web page accessed from http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/SFH_policy_drafts

FAQ #4: Organization of Application through Endorsement**Q. How is the draft *Application through Endorsement* section organized?**

A. The flow of the draft *Application through Endorsement* sections, and the future, larger SF Handbook, is based on the mortgage process from application through endorsement. The document starts with a detailed Table of Contents that identifies both broad activity categories (i.e., Origination/Processing) and detailed sub-categories (i.e., Borrower and Co-borrower Ownership and Obligation Requirements.) The Table of Contents is followed by the actual policy sections and separate appendices that include specific requirements for specialized products and programs, current Mortgage Insurance Premiums, a Glossary of Terms, and a Glossary of Acronyms.

We've designed the organizational structure to follow the steps for originating a mortgage from application through endorsement, and specifically cover:

- Origination/Application
- Processing
- Underwriting
- Closing
- Endorsement

Each section also contains standard formatting and sections including, where appropriate:

- Definition
- Standards
- Documentation Requirements
- Other requirements or exceptions as applicable

Special products and programs will be addressed in product/program appendices that will detail the differences between these and our basic requirements. When originating a mortgage using any special product or program, the mortgagee will apply the basic requirements as supplemented or modified by any program or product-specific requirements.

The draft section does not include Mortgages that are Condominium Units and 203(k) Rehabilitation Mortgage policies. FHA will release these requirements in the near future.

Additionally, requirements for use by appraisers will also be posted and then published in a future version of the *Application through Endorsement* section.

FAQ #5: Reviewing and Providing Feedback on Draft Section

Q. How can I review and provide feedback to FHA?

A. FHA invites stakeholders to review the draft *Application through Endorsement* section, and provide feedback. To facilitate our review and analysis of your feedback, we have developed a Microsoft Excel feedback response worksheet for use in recording feedback. This feedback response worksheet is posted on FHA's new "Drafting Table" web page at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/SFH_policy_drafts

Feedback should be sent to a special e-mail box, SFHandbook@HUD.gov. For stakeholders that have multiple individuals reviewing this information, we ask that you aggregate your organization's feedback into one submission.

The feedback period begins on October 29, **and ends on November 29, 2013.**

FAQ #6: Feedback on Draft Section

Q. What types of feedback are most useful?

A. While FHA welcomes feedback on all aspects of the draft *Application through Endorsement* section, we are particularly interested in feedback on the new format and organization of our policy and requirements, and any mortgagee operational or process flow challenges or considerations.

FAQ #7: Effect of Policy on Posting Date

Q. Is the *Application through Endorsement* section effective for mortgagees today?

A. No. FHA is posting this draft section solely to allow stakeholders to provide us with feedback. FHA is planning to finalize and officially publish this first section of the SF Handbook **in early 2014, and anticipates it will become effective during Spring 2014.**

Mortgagees must follow the requirements in existing policy *until the Application through Endorsement* section is finalized and becomes effective.

FAQ #8: What's New and Different about *Application through Endorsement*?

Q. What is new or different about the *Application through Endorsement* section?

A. The draft *Application through Endorsement* section incorporates all related handbooks, Housing Notices, and Mortgagee Letters. FHA's intention is to make the SF Handbook user-friendly and clear. FHA has provided:

- A detailed Table of Contents that allows users to identify policy by topic or product information.
- An improved organizational structure, including numeric categories and alphanumeric sub-sections, an enhanced page layout, and other similar “look and feel” changes following the steps covering:
 - Origination/Application
 - Processing
 - Underwriting
 - Closing
 - Endorsement

FAQ #9: Product Sheets

Q. What are product and program sheets and which product and program sheets will be available?

A. The product and program sheets contain all special requirements that apply only to a specific program or product type. These requirements are to be applied in addition to or instead of those listed in the basic *Application through Endorsement* section.

All product and program sheets are listed in the Table of Contents. The following product/program sheets are in an Appendix, along with the *Application through Endorsement* section of the SF Handbook:

- 203(h) Mortgage Insurance for Disaster Victims
- “Back to Work”
- Build on Your Own Land
- Construction to Permanent Mortgages
- Energy Efficient Mortgages
- Manufactured Home Mortgages (Title II only)
- New Construction Mortgages
- Refinances
- Section 247 Single Family Mortgage Insurance on Hawaiian Homelands
- Section 248 Mortgages on Indian Land
- Section 251 Adjustable Rate Mortgages
- Solar and Wind

Please note that this draft section does not include requirements for Mortgages that are Condominium Units and 203(k) Rehabilitation Mortgages, which FHA plans to post then publish in the future. FHA plans to publish requirements for appraisers in the future as well.

FAQ #10: Mortgages that are Condominium Units and 203(k) Mortgages

Q. Why is there no information on Mortgages that are Condominium Units and 203(k) requirements in this draft?

A. Requirements for Mortgages that are Condominium Units and 203(k) Rehabilitation Mortgages are still being consolidated and reviewed within FHA. We intend to include these requirements in a subsequent posting in the future.

FAQ #11: “Under Construction” Sections

Q. Why do some parts of the draft *Application through Endorsement* section have a placeholder-type “Under Construction” notation?

A. The “Under Construction” placeholder notations are for content areas that are still under development. FHA will release this additional content as soon as possible.

FAQ #12: Additional Information and Training

Q. Will there be additional information and training available?

A. FHA will communicate additional information and training opportunities through a new e-mail communication vehicle, *FHA Single Family News*, which will be distributed via our current FHA SF Housing Industry E-mail List (FHA INFO e-mail list) distribution.

FAQ #13: Hosting Sites

Q. Will the SF Handbook or sections of the SF Handbook be available through AllRegs or other third party mortgage information sites?

A. FHA publishes its official policy documents on HUDCLIPS. As is currently the case, other private websites may elect to re-post FHA Single Family Housing policy information.

FAQ #14: Future Handbook Phases

Q. What are the future phases of the SF Handbook effort? When will the SF Handbook be complete?

A. FHA’s goal is to ultimately provide all policy applicable to the origination of single family mortgages and doing business with FHA as a single family Title I or Title II mortgagee in this SF Handbook. FHA is working on additional SF Handbook phases, which are intended to be posted for feedback in a similar way in the future. At present, future SF Handbook phases cover topics including:

- Mortgages that are Condominium Units
- 203(k) Rehabilitation Mortgages
- Requirements for Appraisers

- Doing Business with FHA/Eligibility and Approval Requirements
- Servicing and Loss Mitigation
- Real-estate Owned (REO) and Claims
- Title I
- Quality Assurance and Compliance
- Home Equity Conversion Mortgages (HECM)

FHA will communicate our future release and implementation plans, including timing on when additional phases will be posted for review and finalized.

FAQ #15: Retirement of Existing Handbooks

Q. What happens to existing handbooks and Mortgagee Letters?

A. As new sections of the SF Handbook are published as official policy, superseded policy documents will be marked as such. All existing policy documents will remain available for historical reference and quality assurance/compliance purposes.