



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

April 20, 2010

MORTGAGEE LETTER 2010-15

**TO: ALL APPROVED MORTGAGEES
ALL FHA ROSTER APPRAISERS**

SUBJECT: FHA Case Number and FHA Roster Appraiser Assignments

This Mortgagee Letter provides guidance on ordering Federal Housing Administration (FHA) case numbers and selecting FHA Roster appraisers in FHA Connection. Specifically, this Mortgagee Letter:

1. informs mortgagees of changes to data entry requirements in FHA Connection;
2. permits mortgagees to obtain a case number in FHA Connection without first having to select an appraiser from the FHA Appraiser Roster and input the appraiser's information in the Case Number Assignment screen; and,
3. requires that the effective date of the appraisal be after the case number assignment date except in certain limited circumstances.

Effective Date

Provisions in this Mortgagee Letter became effective for all case numbers assigned on or after February 15, 2010.

Case Number Assignment and Appraisal Logging Screen Changes

1. The Case Number Assignment screen in FHA Connection will no longer capture appraiser information (assignment choice, license ID and assignment date). However, the following information fields in the case number assignment screen will continue to require input:
 - General Information
 - "As Required" Fields (pertaining to streamline refinances, 203k loans and condo indicators, etc.)
 - ADP (automated data processing) Code Characteristics
 - Property Address
 - Compliance Inspection Fields (if applicable)

- Borrower Information
2. The Appraisal Logging Screen in FHA Connection will capture the appraiser information along with the following information fields:
- Appraiser's License ID
 - Property Information
 - Neighborhood Information
 - Site Information
 - Physical Improvement Information
 - Reconciliation Information

Note: Mortgagees are required to input the appraiser's information, as well as the relevant appraisal information, into FHA Connection prior to loan closing.

Appraiser/Appraisal Eligibility

- Mortgagees are reminded to ensure that the FHA Roster appraiser selected to perform an appraisal is listed as being active on the FHA Appraiser Roster at the time of selection.
- FHA Roster appraisers are reminded that appraisals cannot be performed for purposes of FHA insured financing unless the appraiser is listed as being active on the FHA Appraiser Roster during the time period in which the appraisal is performed.
- Mortgages predicated upon appraisals that are performed by appraisers who are not current on the FHA Appraiser Roster at the time of the effective date of the appraisal will not be insured.
- The effective date of the appraisal cannot be before the case number assignment date **unless** the lender certifies, via the certification field in the Appraiser Logging Screen in FHA Connection, the appraisal was ordered for conventional lending, HUD REO or government guaranteed loan purposes but was performed by a FHA Roster Appraiser and is being converted to a FHA-insured mortgage. The mortgagee must retain documentation in the case binder substantiating conversion of the mortgage to FHA.
- If the appraisal was ordered for conventional lending or government guaranteed loan purposes but was performed by a FHA Roster Appraiser, the mortgagee must ensure that the appraisal was performed in accordance with FHA appraisal reporting requirements as detailed in Handbook 4150.2, CHG-1, Valuation Analysis for Home Mortgage Insurance for Single Family One – to Four – Unit Dwellings, and subsequent mortgagee letters. Ensuring compliance with this requirement may entail a re-inspection of the property by the appraiser.

If you should have any questions concerning this Mortgagee Letter, please call the

FHA Resource Center at 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may access this number via TDD/TTY by calling 1-877-TDD-2HUD (1-877-833-2483).

Sincerely,

David H. Stevens
Assistant Secretary for Housing-
Federal Housing Commissioner