U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEDERAL HOUSING ADMINISTRATION

SINGLE FAMILY HOUSING

Your Door to
FHA
HOMEOWNERSHIP

Welcome to…
FHA Application Workshop Series:
Session 3 – Supervised and Government Applicants

Today's webinar begins
at 2:00 PM (Eastern)
We will be underway shortly

Please test your speakers and choose Audio source (computer/smartphone or telephone)
by selecting desired option in **Audio Settings** – see left side of toolbar at bottom of screen.

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Technical Support

- Recommend Chrome browser.

- Technical issues? Review *Technology FAQs* by clicking **Chat** icon at bottom of screen or **Landing Page**.

- Need additional tech support? Click *Contact Tech Support* icon on **Chat** link or **Landing Page.**

Q&A Session

- There will be two Q & A sessions; the first near the mid-point and the second following the presentation.
- Follow instructions in *Q&A Instructions* link found in the **Chat** icon/**Landing Page** and **Q&A Instructions** slide at end of the presentation.
- Test Audio, if asking a question.
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    - Computer/Smartphone
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- Send unanswered questions to FHA Resource Center.

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Contact FHA Resource Center

- Online at: www.hud.gov/answers.
- Via email at: answers@hud.gov.
- Via phone at: 1-800-Call-FHA (1-800-225-5342)

Persons with hearing or speech impairments call the Federal Relay Service at 1-800-877-8339.

Documents/Materials & Training Evaluation

Documents/Materials:

- Click **Chat** icon or **Landing Page** – select *Webinar Documents/Materials* link for copy of presentation.

Training Evaluation:

- Click on **Chat** icon or **Landing Page** – select *Survey* link.

Helpful Links

Click **Chat** icon or **Landing Page** – select links to bookmark:

- FHA Lenders page:
    https://www.hud.gov/program_offices/housing/sfh/lender

- FHA FAQ page:
    https://www.hud.gov/FHAFAQ

- Single Family Housing Archived Webinars (On Demand) page:
    https://www.hud.gov/program_offices/housing/sfh/events/sfh_webinars

Office of Lender Activities and Program Compliance

FHA Application Workshop Series:
Session 3 – Supervised and Government Applicants

July 18, 2023

Presented by:

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Last Updated: 7/13/2023

Agenda

Types of Mortgagees

FHA Program Types

Eligibility Requirements

Application Process & Required Documentation

Q&A

Navigating the Online Application

Causes for Initial Rejection

Resources

Q&A

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Types of Mortgagees

Types of Mortgagees

Type	Definition
Government	A federal, state or municipal governmental agency.
Large Supervised	A member of the Federal Reserve System (FRS) or regulated by the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC) or the National Credit Union Administration (NCUA), that has consolidated assets greater than or equal to the threshold for audited financial reporting established by the Federal Banking Agency with oversight of the Mortgagee.
Small Supervised	A member of the FRS, or regulated by the FDIC, the OCC or the NCUA, that has consolidated assets below the threshold for audited financial reporting established by the Federal Banking Agency with oversight of the Mortgagee.
Type	**Authorized Activities**
Government	A Government Mortgagee may originate, underwrite, close, endorse, service, purchase, hold, or sell FHA-insured mortgages.
Supervised (Large and Small)	A Supervised Mortgagee may originate, underwrite, close, endorse, service, purchase, hold, or sell FHA-insured mortgages.

FHA Program Types

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FHA Program Approval

Title I

- A Title I Lender may be approved to originate, underwrite, close, endorse, service, purchase, hold, or sell Loans under the Property Improvement program and/or the Manufactured Housing program.

Title II

- A Title II Mortgagee may be approved to originate, underwrite, close, endorse, service, purchase, hold, or sell FHA Single Family insured Mortgages or multifamily Mortgages.

Eligibility Requirements

Eligibility Requirements

Supervised Mortgagee	Government Mortgagee
Ownership and Personnel	**Personnel**
Financial Requirements	**Quality Control Plan**
State License or Registration	**Unique Entity Identifier**
Quality Control Plan	Mortgagee Name
Unique Entity Identifier	Office Facilities
Mortgagee Name	Fidelity Bond
Office Facilities	Errors and Omissions Insurance
Fidelity Bond	
Errors and Omissions Insurance	

Eligibility Requirements – Ownership

Business Structure	Principal Owners
Publicly Traded Corporation	10% or more ownership
Private or Close Corporation	25% or more ownership

Supervised applicants must identify all Principal Owners and submit this information in the online application.

Eligibility Requirements – Personnel

- The applicant must identify all Corporate Officers, as defined in the *Single Family Housing Policy Handbook* 4000.1 (Handbook 4000.1), who will be directly involved in managing, overseeing, or conducting FHA business.

- The applicant must designate an Officer-in-Charge, who is a full-time Corporate Officer exclusively employed by the applicant and with at least 3 years of experience in the specific functions or activities that it will perform.

Eligibility Requirements – Financial Requirements

Adjusted Net Worth

- Minimum adjusted net worth: $1,000,000

Liquidity

- No less than 20 percent of its required net worth in liquid assets

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Eligibility Requirements – State License or Registration

Supervised Mortgagees must ensure that its home office and each branch office have all licenses, registrations, or approvals required for the types of Mortgagee functions or activities performed. Evidence of state-issued lending license, registration or equivalent approval must be provided for the state in which the home office is located.

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Eligibility Requirements – Quality Control Plan

- Applicants must provide a Quality Control Plan that includes all requirements specified in **Section V: Quality Control, Oversight and Compliance** of the most current version of Handbook 4000.1.

- The Quality Control Plan must be specific to the authorities the applicant is seeking approval to perform.

Eligibility Requirements – Unique Entity Identifier (UEI)

The UEI number is an alpha-numeric identifier used by federal government agencies to maintain consistent data for entities doing business with the government.

- Entities seeking FHA approval should register for and obtain an active UEI number by accessing the System for Award Management (SAM) at SAM.gov.

- The registration data in SAM.gov must match the TAX ID number, institution name, and home office geographic address provided in the application.

Application Process & Required Documentation

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Application Process

Application
- Complete online and submit with required documentation

Review
- FHA staff reviews the application and documentation

Initial Decision
- Additional Information
- Approval
- Denial

Denial

Approval

Appeal
- Must be received within 30 days of denial

Review
- If denial is sustained after 2 appeals, applicant is ineligible to reapply for 12 months

Approval
- Approval Letter issued with a Lender Identification Number
- New Lender Briefing held

Approval

Eligibility Requirements – Documentation

Documents Required for Application	Supervised Mortgagee	Government Mortgagee
Resume for Officer in Charge	•	•
Resume(s) for Corporate Officer(s)		•
Required Financial Statements	•	
State License or Registration	•	
Errors & Omissions Insurance	•	•
Quality Control Plan	•	•

Q&A

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Q&A Instructions

Check your audio to ensure it's working correctly:

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– When prompted by moderator, provide your name, company affiliation, then ask your question.

Option B: Standard telephone line

– To ask a question, press *9 to be placed in queue.
– Webinar moderator will unmute your phone and you will hear the following automated message, "***You Are Unmuted***" *which allows you to begin speaking.*
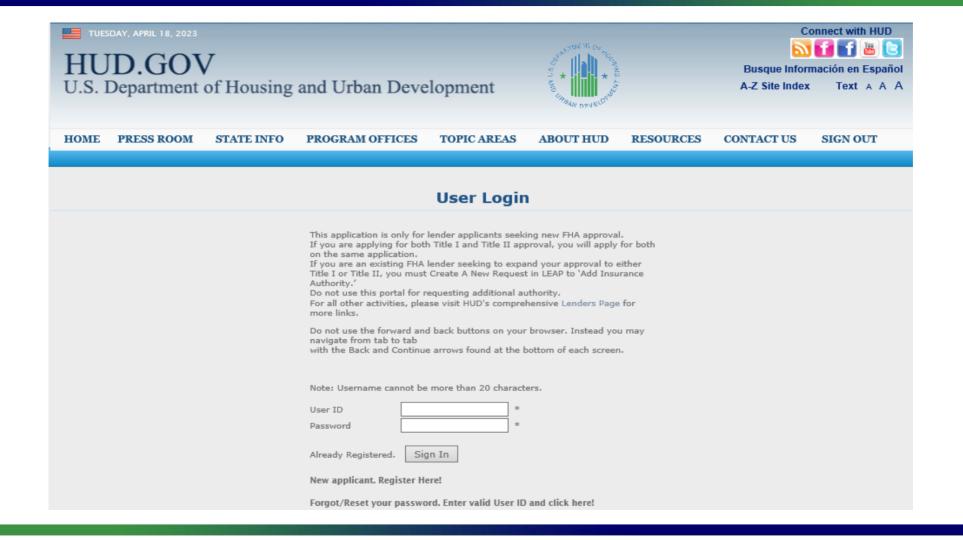– When prompted by moderator, provide your name, company affiliation, then ask your question.

Navigating the Online Application
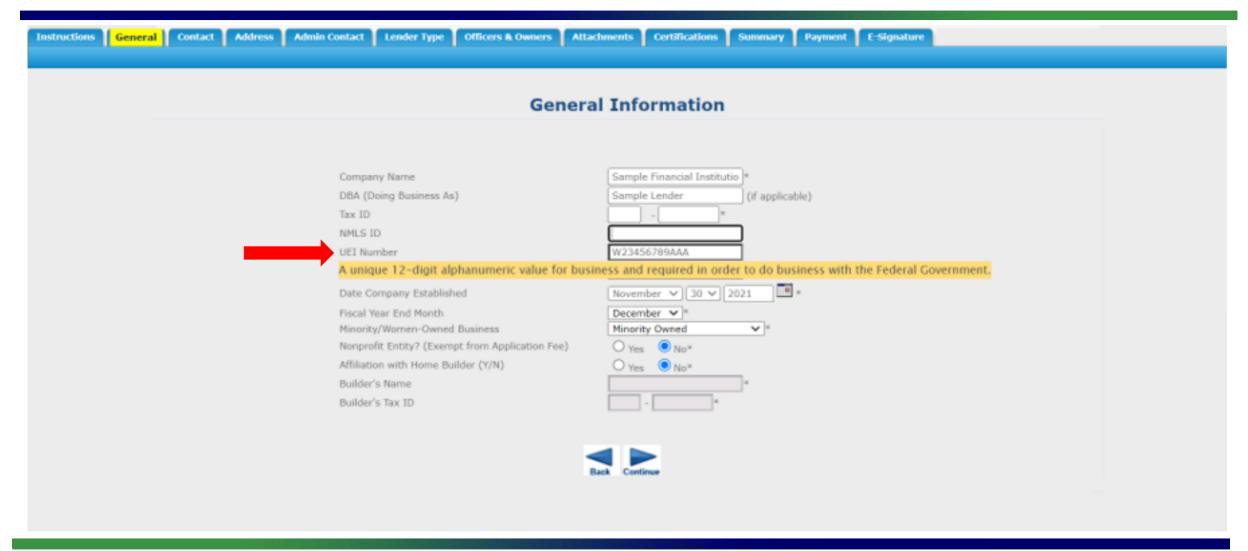
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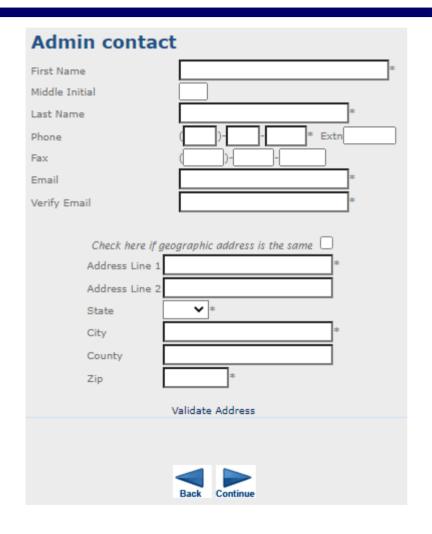# Navigating the Online Application – Registration

Navigating the Online Application – General Tab

Navigating the Online Application – Administrative Contact Tab
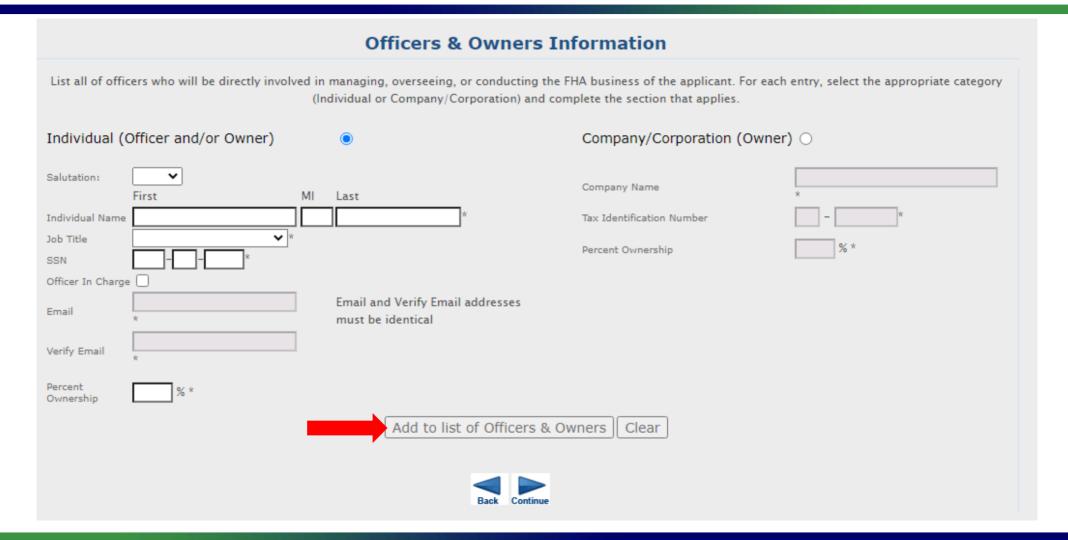

- This person will serve as the primary point of contact for receiving all email correspondence from FHA after approval.

- It is critical that this person possesses an understanding of the FHA Program and is either able to answer or direct questions to the appropriate party within your organization.

Navigating the Online Application – Officers & Owners Tab

Navigating the Online Application – Certifications Tab

Certification of Compliance

A designated Corporate Officer for the applicant, must complete a series of certification statements that address the applicant's compliance with FHA requirements.

Unable to Certify

If an applicant is unable to certify to any of the certification statements, a detailed explanation must be included for each certification statement that cannot be completed. The document must:

- Be on the applicant's letterhead;
- Be dated;
- Be signed by the Corporate Officer who signs the application;
- Explain in detail the reason(s) why the applicant is unable to certify; and
- Contain language certifying that, if approved, the applicant will comply with all FHA requirements.

Navigating the Online Application – Submission

Current Applications

The information collection requirements contained in this system have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-35 and assigned OMB control number 2502-0005. In accordance with the Paperwork Reduction Act, HUD ma not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

Tracking Number	Company Name	Status	
1-5UFKWU	TEST April 12th	Submitted	Withdraw Application

Causes for Initial Rejection

Causes for Initial Rejection

1. The Financial Requirements are not met.

2. Incorrectly determining Non-profit eligibility.

3. Acceptable state lending license, registration or equivalent documentation not provided.

4. Quality Control Plan does not align with Handbook 4000.1 requirements.

5. 100% ownership information for principal owner not identified.

6. Designated Officer in Charge does not meet requirements.

7. An active, fully executed fidelity bond policy with adequate coverage was not provided.

8. An active, fully executed errors and omissions policy with adequate coverage was not provided.

9. **An active, registered Unique Entity Identifier not provided. (New Requirement)**

Resources

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References

- *Single Family Housing Archived Webinars:*
  https://www.hud.gov/program_offices/housing/sfh/events/sfh_webinars

- *Online Application Link:*
  https://www5.hud.gov/FHALender/

- *How to Become an FHA-Approved Lender:*
  https://www.hud.gov/program_offices/housing/sfh/lender/lendappr

- *Single Family Housing Policy Handbook* 4000.1*, Doing Business with FHA:*
  SFH Handbook 4000.1|HUD.gov/U.S. Department of Housing and Urban Development (HUD)

- *HUD-OIG Consolidated Audit Guide :*
  https://www.hudoig.gov/library/single-audit-guidance/hud-consolidated-audit-guide

References (continued)

- *Entity Registration and the Unique Entity Identifier (UEI):*
  https://sam.gov/content/entity-registration

- *Single Family Housing News (FHA INFO) Emails:*
  https://www.hud.gov/program_offices/housing/sfh/FHA_INFO_subscribe
  (Frequent email notifications of new policies and training opportunities for anyone who signs up.)

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FHA Resource Center

	Option	Point of Contact	Hours Available	Comments
1	FHA Knowledge Base – FAQs	www.hud.gov/answers	24/7/365	Knowledge Base web page includes option to email questions.
2	Email	answers@hud.gov	24/7/365	
3	Telephone	1-800-CALL-FHA (1-800-225-5342) Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.	8:00 AM to 8:00 PM Eastern M-F	Voicemail is available after hours or during extended wait periods.

FHA INFO emails: Frequent email notifications of new policies and training opportunities for anyone who signs up. Subscribe at: https://www.hud.gov/program_offices/housing/sfh/FHA_INFO_subscribe

Q&A

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Thank you for joining us today!

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