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

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

March 26, 2015

To: All FHA Approved Single Family Mortgagees
All FHA Roster Appraisers

Mortgagee Letter 2015-08

Subject

Electronic Appraisal Delivery (EAD) portal for Federal Housing Administration (FHA) Insured Single Family Mortgages

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Purpose

This Mortgagee Letter (ML) announces FHA's implementation of the EAD portal and provides information necessary for mortgagees to prepare for delivering origination appraisals (forward and reverse) through FHA's new EAD portal.

Effective Date

Delivery of an Electronic Appraisal through the EAD portal will be required for all case numbers assigned on or after June 27, 2016.

To facilitate the transition to using the EAD portal, FHA will permit mortgagees to either deliver appraisals through the EAD portal, or continue to deliver appraisals in accordance with the Post Closing and Endorsement Process in 4000.1 FHA Single Family Housing Policy Handbook for case numbers assigned on or before June 26, 2016.

FHA will permit mortgagees and/or their designated third-party service providers to deliver appraisals through the EAD portal as soon as they receive access credentials and validate that they are ready to use the new technology.

EAD Portal Overview and Functionality

The EAD portal is a web-based platform through which mortgagees, their authorized users and/or their designated third-party service providers will electronically deliver all FHA origination appraisal reports prior to endorsement.

The EAD portal will allow uploads of only those appraisals that comply with FHA's Appraisal Report and Data Delivery Guide. Mortgagees will be provided with a confirmation of successful upload, or be informed that the appraisal requires correction and resubmission.

Once an appraisal report is successfully uploaded to the EAD portal, the FHA Connection (FHAC) will pull EAD appraisal data and prefill certain data fields in the Appraisal Logging screen.

Appraisals submitted through the EAD portal remain subject to review for compliance with FHA appraisal requirements. Mortgagees remain responsible for proper underwriting of the appraisal and for ensuring the property meets FHA's minimum property requirements and standards for serving as security for the FHA-insured mortgage. The appraiser remains accountable for appraisal quality and credibility and compliance with FHA appraisal requirements.

EAD portal Access

In order to access the EAD portal, mortgagees must appoint an "EAD Lender Administrator" to issue and maintain access credentials for their authorized users and/or designated third-party service providers to access the EAD portal on their behalf.

EAD Lender Administrators will obtain their user access credentials from the mortgagee's FHAC Coordinator to begin the registration process. EAD Lender Administrators may register additional Administrators, authorized users and/or designated third-party service providers to access the EAD portal as needed without also registering them in FHAC.

User guides are available at the EAD resource web page and contain detailed information about user access, roles and responsibilities, data and delivery requirements, and procedures.

Upload Process

Mortgagees may access the EAD portal and upload appraisal reports in two ways. Mortgagees may use an interactive user interface upload process that allows transmission of up to 10 appraisal reports at a time, or mortgagees may implement a direct system-to-system integration with the EAD portal, which will provide for large batch upload capability.

Registration Process

FHA will offer access to the EAD portal in phases to provide flexibility in scheduling so that mortgagees can choose a migration timeframe that accommodates their assessment of required systems and operational process changes. The registration phases will be announced on FHA's EAD resource page on or before June 15, 2015, with the registration phases beginning after June 15, 2015.

Each mortgagee will have the option to select a registration phase, and are encouraged to select the earliest phase in which they believe their systems and processes will be ready to accommodate the EAD process.

Mortgagees will receive access credentials to the EAD portal at the beginning of the registration phase that the mortgagee selects.

FHA will provide technical assistance to mortgagees in making necessary changes, and will prioritize this assistance based on the registration phase selected by the mortgagee. The mortgagee assumes the risk of not meeting the June 27, 2016 implementation deadline.

Additional information on how to register for the EAD portal can be found on the EAD resource web page.

Required Appraisal Forms and Data Format for the EAD Portal

Appraisers must continue to follow HUD/FHA guidance and comply with USPAP when completing FHA appraisals. Instructions and data delivery formats and requirements for each appraisal form are located at FHA's Appraisal Report and Data Delivery Guide.

For the EAD portal, FHA will only accept appraisals in the Mortgage Information Standards Maintenance Organization (MISMO) 2.6 with embedded PDF format, as created directly by the appraiser (first generation). FHA does not accept private or proprietary data formats or appraisal reports that have been manipulated or "translated" by anyone or any process.

The table below details the appraisal form type and MISMO format required for each property type.

Property/Assignment Type	Acceptable Appraisal Report Form
Single Family, Detached, Attached or Semi-Detached Residential Property	Fannie Mae Form 1004/Freddie Mac Form 70, *Uniform Residential Appraisal Report*; MISMO 2.6 GSE format
Single Unit Condominium	Fannie Mae Form 1073/Freddie Mac Form 465, *Individual Condominium Unit Appraisal Report;* MISMO 2.6 GSE format
Manufactured Housing	Fannie Mae Form 1004C/Freddie Mac Form 70B, *Manufactured Home Appraisal Report;* MISMO 2.6 Errata 1 format
Small Residential Income Properties (Two- to Four-Units)	Fannie Mae Form 1025/Freddie Mac Form 72, *Small Residential Income Property Appraisal Report;* MISMO 2.6 Errata 1 format
Update of Appraisal (All Property Types)	Summary Appraisal Update Report Section of Fannie Mae Form 1004D/Freddie Mac Form 442, *Appraisal Update and/or Completion Report;* MISMO 2.6 Errata 1 format
Compliance or Final Inspection for Existing Property	Certificate of Completion Section of Fannie Mae Form 1004D/Freddie Mac Form 442, *Appraisal Update and/or Completion Report;* MISMO 2.6 Errata 1 format

Training

Web-based, on-demand training will be available. Mortgagees are strongly encouraged to ensure their authorized users and/or designated third-party service providers complete the training before accessing the EAD portal.

Exclusions from EAD Portal Use

The following appraisal types are excluded from using the EAD portal for delivery to FHA:

- Appraisals performed for Section 184 and 184a loan guarantee programs processed by the HUD Office of Native American Programs.
- Appraisals performed on behalf of FHA or its contractor for use as one of the primary tools to determine the listing price of a HUD REO property;
- FHA appraisal reports performed on Claims Without Conveyance of Title properties must be delivered in accordance with the instructions in ML 2014-14; and
- FHA appraisal reports performed on Pre-Foreclosure Sale properties will continue to be delivered in accordance with instructions in ML 2008-43.

EAD Technical Resources

Mortgagees may obtain details about how to register to use the EAD portal, technical information, training, and other resources for the EAD portal at the EAD resource web page, or by calling the FHA Resource Center at 1-800-CALL-FHA (225-5342).

Information Collection

Paperwork reduction information collection requirements contained in this Mortgagee Letter have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. §§ 3501-3520) and assigned OMB control number 2502-0538. In accordance with the Paperwork Reduction Act, HUD may 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.

4000.1 FHA Single Family Housing Policy Handbook

The provisions of this ML will be incorporated into the 4000.1 FHA Single Family Housing Policy Handbook.

Questions

Questions regarding this Mortgagee Letter should be directed to the FHA Resource Center at 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 (800) 877-8339. For additional information on this Mortgagee Letter, please visit www.hud.gov/answers.

Signature

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