U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Date: August 30, 2017

Mortgagee Letter 2017-13

To: All FHA-approved Mortgagees

Subject

Extension of Temporary Approval Provisions for the Federal Housing Administration (FHA) Condominium Project Approval Process

Purpose

This Mortgagee Letter (ML) announces an extension of the temporary condominium project approval policy provisions issued in ML 2012-18 and ML 2015-27. The extension is needed to allow time for completion of the condominium project approval and rulemaking process and its subsequent implementation.

Effective Date

The requirements established in ML 2012-18 and ML 2015-27, as modified by ML 2016-15, are extended until HUD publishes and implements the Final Rule of Condominium Project Approval through publication of the Condominium Project Approval Section of HUD Handbook 4000.1.

All policy updates will be incorporated into a forthcoming update of the HUD Single Family Housing Policy Handbook 4000.1 (Handbook 4000.1).

Public Feedback

HUD welcomes feedback from interested parties for a period of 30 calendar days from the date of issuance. To provide feedback on this policy document, please send any feedback to the FHA Resource Center at answers@hud.gov. HUD will consider the feedback in determining the need for future updates.

Affected Programs

The requirements of this ML apply to the FHA Condominium Project Approval Process.

Continued on next page

Background

To ensure continued condominium project eligibility for FHA-insured mortgages, the temporary approval requirements initially issued in ML 2012-18 (previously extended by MLs 2014-17 and 2016-13, and as modified by ML 2016-15) and 2015-27 (previously extended by ML 2016-13, and as modified by ML 2016-15) will be extended. On September 27, 2016, HUD published a proposed rule entitled, "Project Approval for Single-Family Condominiums." HUD received comments to the rule and is currently evaluating those comments. This extension will allow continuance of condominium project approval until the condominium rulemaking process is completed.

Summary of Changes

No changes have been made to the policy announced in ML 2012-18 or ML 2015-27.

Paperwork Reduction Act

The information collection requirements contained in this document are 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 2502-0610. 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.

Questions

For additional information on this ML, please visit www.hud.gov/answers or call FHA's Resource Center at 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number via TTY by calling the Federal Relay Service at 1-800-877-8339.

Signature

Dana T. Wade
General Deputy Assistant Secretary for Housing