

Tuesday November 24, 2020

Bulletin #2020-AC-061

TO ALL CUSTOMERS

FHA New Construction

In an effort to streamline inspections and warranty requirements for FHA Mortgages, the Department of Housing and Urban Development (HUD) updated the maximum financing policy for New Construction Properties via Mortgagee Letter [ML 2020-36](#) which is effective with FHA Case Numbers assigned on or after January 4, 2021.

The summary of the new construction requirements that must be followed on all new construction properties with FHA Case Numbers assigned on or after January 4, 2021. FLCBank will be updating the FHA New Construction requirements to reflect the new requirements in the next few days

- The maximum Loan-to-Value (LTV) requirements will not differ based on new construction documentation.
- The Warranty of Completion of Construction Form HUD-92544 is now required for all new construction types.
- The Early Start Letter and Pre-approval requirements will no longer apply
- Construction Inspection will include the acceptability of a disinterested third party inspector who is a registered architect or a structural engineer in the event that an International Code Council (ICC) certified Residential Combination Inspector (RCI) or Combination Inspector (CI) are not available. The third party inspection report must include a certification stating the company/inspector is licensed and bonded under applicable state and local law.
- Updating Form HUD-NPMA-99-B "New Construction Subterranean Termite Service Record" to align it with the four acceptable termite treatment applications reflected on the form HUDNPMA-99-A.

To access our most recently updated Temporary Policies Related to COVID-19 (version 24) please [click here](#).