

Tuesday, March 23, 2021

Bulletin #2021-AC-014

## NOTICE TO ALL CUSTOMERS

### Industry News and Product Updates

#### IRS Announcement

The Internal Revenue Services announced via [IRS News Release](#) the extension for tax filing from April 15, 2021 to May 17, 2021 as a result of the ongoing COVID-19 pandemic; however, this extension does not apply to estimated payments for incomes taxes which continue to be due by April 15, 2021.

#### FHA Revisions to Condominium Forms

The Federal Housing Administration (FHA) announced the publication of [Mortgagee Letter 2021-09](#) the revisions made to the Condominium Forms:

- Form HUD-9991 - FHA Condominium Loan Level/Single-Unit Approval Questionnaire which is used in Single Unit Approval
- Form HUD-9992 - FHA Condominium Project Approval Questionnaire which is used for FHA Project Approval and Re-Certification.

The updated forms may be used immediately; however, the revised form HUD-9991 must be used for FHA Case numbers assigned on or after May 17, 2021; while the Form HUD-9992 must be used for initial project approval and re-certifications submitted on or after May 17, 2021.

**Important: FLCBank does not participate in the FHA Project Approval Process (DELRAP/HRAP) which requires the use of Form HUD-9992, a Condominium Project must already be FHA approved for financing at FLCBank and the loan originator must submit the appropriate FHA Condominium form based on the project approval request.**

The changes to Form HUD-9991 FHA Condominium Loan Level/Single-Unit Approval Questionnaire include:

- The expiration date has been updated to 1/31/2024.
- Data collected on the questionnaire may be *no more than 90 days old* prior to the form being signed.
- The requirement that the condominium association must complete the form and sign the certification on the form has been removed.
- Section 2.c. Management Company has been removed.
- Section 3.a. Occupancy Requirements by Construction Type has been restructured.
- Section 3.e.2. Hazard Insurance and Section 3.e.3. Flood Insurance have been relocated to section 4.d. Additional Requirements for Single-Unit Approval.
- Section 3.f. Required Documentation for All Units has been removed. The documentation requirements outlined in Handbook 4000.1 are still required.
- Section 4.g. Additional Required Documentation for Single-Unit Approval has been removed. Documentation requirements outlined in Handbook 4000.1 are still required.

#### Fannie Mae and Freddie Mac POA policy reminders

Both GSEs announced their updated guidelines for Power of Attorneys (POAs) where both agencies require lenders to obtain a written record or evidence of in person, telephonic, or video recorded internet session demonstrating the settlement agent held a discussion with the Borrower prior to loan closing over the loan terms.

FLCBank accepts these changes and has updated its POA requirements accordingly.

You may read the GSEs updates in its entirety via [Fannie Mae Lender Letter 2021-03](#) and [Freddie Mac Bulletin 2021-4](#)

## USDA Handbook Updates

The USDA's Single Family Housing Guaranteed Origination loan program announced proposed changes made to several chapter of the Handbook 3555.1 including updates made to Appendix 7 which include instructions and references to the "New GUS" that was implemented with loan applications dated March 1, 2021. Loan Originators should review the changes made to USDA loan originations and underwriting policies in the following Handbook Chapters:

- Chapter 5 – Origination and Underwriting Overview
- Chapter 8 – Applicant Characteristics
- Chapter 9 – Income Analysis
- Chapter 10 – Credit Analysis
- Chapter 12 – Property and Appraisal Requirements
- Chapter 15 – Submitting the Application Package

## VA Recorded Training on-demand

VA has made available a pre-recorded training for loan originators, processors and VA approved lenders to learn of the enhancements made by the Department of Veterans' Affairs in order to streamline the Certificate of Eligibility (COE) process, veteran's income benefits as well as the verification of indebtedness to the agency. This training can be accessed on-demand.

The enhancements covered in the recorded training go over the announcements made by VA on February 12, 2021 via [Circular 26-21-03](#) at became effective on Friday March 19, 2021. The changes include the fact that lenders no longer have to submit a VA Form 26-8937 if income and/or prior approval information is already provided on the COE.

In the limited instances where VA Form 26-8937 is necessary, lenders will have to submit the form to VA through a COE application. For more information on COE condition enhancements, and how to submit VA Form 26-8937s, please review the recorded training webinar and resources at: <http://vbalgy.adobeconnect.com/pblc9hfep6jp/>

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**To access our most recently updated Temporary Policies Related to COVID-19 (version 33) please [click here](#).**