

Wednesday June 30, 2021

Bulletin #2021-AC-027

NOTICE TO ALL CUSTOMERS

COVID-19 Temporary Requirements on Government Loans

FHA Temporary COVID-19 Policies Expiring

FHA expired their temporary COVID-19 guidance on the following topics:

- Flexibility allowing the Direct Manager/Supervisor of the borrower to provide the verification of employment as an alternative to standard requirements expire for loans closing after June 30, 2021.
- An Exterior-Only Appraisal Report is available only for Appraisals with an effective date on or before June 30, 2021.
- Alternative repair certifications expire for loans closing after June 30, 2021.

FHA loans closing July 1, 2021, and after are subject to standard FHA guidelines listed the SFH 4000.1.

FHA Extension of Temporary COVID-19 Policies

FHA announced yesterday via [Mortgage Letter 2021-16](#) the extension of the following COVID-19 requirements for loans with Case Numbers Assigned by September 30, 2021:

- Verification of Self Employment Income/Business is Active to be dated within ten (10) calendar days from loan closing acceptable documentation includes:
 - Evidence of current work (executed contracts or signed invoices that indicate the business is operating on the day the lender verifies self-employment); or
 - Evidence of current business receipts (payment for services performed); or
 - Lender certification that the business is open and operating (lender confirmed through a phone call or other means); or
 - Business website demonstrating activity supporting current business operations (timely appointments for estimates or service can be scheduled).
- Rental Income:
 - Borrowers relying on the continued receipt of rental income to offset mortgage payments on the subject property or other REO will not be acceptable unless there are documented reserves of no less than six (6) months of full PITI on each property generating rental income to qualify.

USDA Temporary COVID-19 Policy Expiring

USDA's temporary guidance expires June 30, 2021, for the following items:

- An Exterior-Only Appraisal Report,
- Alternative certifications for repair completion,
- Direct manager/supervisor of the borrower to provide the verbal verification of employment requirements,

USDA loans closing July 1, 2021, and after are subject to standard USDA guidelines listed the SFH HB-1-3555.

To access our most recently updated Temporary Policies Related to COVID-19 (version 40) please [click here](#).