

**To:** All Customers **From:** Credit Risk  
**Date:** 05/06/21 **Memo#:** 21060  
**Subject:** **FHA Issues Temporary Partial Waiver of Appraisal in Changing Markets**

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FHA issued a Temporary Partial Waiver to parts of the Single-Family Housing Policy 4000.1. Section II.D.4.c.iii.(F)(2): *FHA Appraisal Requirements in Changing Markets – Required Analysis and Reporting*. This partial waiver addresses difficulty in changing markets with increasing property values and a shortage of housing supply.

- To address this, FHA is issuing this temporary partial waiver of the Handbook 4000.1 requirement in Section II.D.4.c.iii.(F)(2) that the appraiser must include, analyze, and report a minimum of two active listings or pending sales on the appraisal grid. This temporary partial waiver of established policy will help ensure the continued availability of affordable housing in these markets.
- FHA roster appraisers must continue to comply with Handbook 4000.1 requirements for comparable selection, adjustments, and inclusion of proper data collection and reporting of market conditions on Fannie Mae Form 1004MC/Freddie Mac Form 71.
- This Partial waiver is applicable only in changing markets with increasing property values and shortage of housing supply.
- This temporary partial waiver is effective for the 12-month period between April 26, 2021, and April 26, 2022.

RESOURCES:

- [FHA INFO #21-25](#)
- [Temporary Partial Waiver](#)
- [Handbook 4000.1](#)

If you have any questions on the contents on this memo, please email [governmentUW@flagstar.com](mailto:governmentUW@flagstar.com) or call the Underwriting Support Desk at (866) 945-9872.