



FHA INFO 2024-59

August 22, 2024

FHA Implements System Enhancements to Accommodate Revision to 203(k) Rehabilitation Mortgage Insurance Program

On July 9, 2024, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2024-13](#), *Revisions to the 203(k) Rehabilitation Mortgage Insurance Program including updates to the 203(k) Consultant Requirements and Fees*. This ML implements updates to the Section 203(k) program guidelines and is intended to reduce barriers to using the program.

To support the implementation of the updates announced in [ML 2024-13](#), FHA will make the following system updates for forward mortgages in [FHA Connection \(FHAC\)](#):

- Increase the maximum total rehabilitation cost for Limited 203(k) from \$35,000 to \$75,000.
- Increase the allowable financed mortgage payment reserves from six months to 12 months for a Standard 203(k) loan.
 - Add a Notice of Return (NOR) edit on insurance application to ensure the financed amount does not exceed 12 months of Principle, Interest, Taxes, and Insurance (PITI).
- Allow 203(k) Consultant fees to be financed for a Limited 203(k) loan.
- Extend the maximum rehabilitation period as follows:
 - Limited 203(k): Nine months
 - Standard 203(k): 12 months

These system updates will be available in conjunction with the implementation of the [ML 2024-13](#) for all FHA case numbers assigned on or after November 4, 2024. The [FHAC Guide](#) has been updated to reflect these changes and is available on the portal homepage.

For submissions through FHAC Business-to-Government (B2G), the data must be submitted for FHA case numbers assigned on or after November 4, 2024. The FHAC B2G submission requirements accommodate the new data fields. Refer to the [B2G Interface webpage](#) for technical requirements.

For questions or additional information, contact the FHA Resource Center, referenced below.

Need Support? Contact the FHA Resource Center.

- Visit our knowledge base to obtain answers to frequently asked questions 24/7 at www.hud.gov/answers.
- E-mail answers@hud.gov. Emails and phone messages will be responded to during normal hours of operation, 8:00 AM to 8:00 PM (Eastern), Monday through Friday on all non-Federal holidays.
- Call 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

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