

Section B: Changes in Home Location After Insurance Endorsement

Overview

In This Section This section contains the topics listed in the table below.

Topic	Topic Name	See Page
1	Non-Emergency Procedure for Change in Home Location After Insurance	10-B-2
2	Emergency Procedure for Change in Home Location After Insurance	10-B-5

1. Non-Emergency Procedure for Change in Home Location After Insurance

Introduction	This topic contains the procedures for a non-emergency change in home location after mortgage insurance, including • background information on a change in home location after insurance • lender request requirements, and • processing a non emergency request for a change in home location after insurance.
Change Date	March 24, 2011
4155.2 10.B.1.a Background Information on a Change in Home Location	Following insurance endorsement of a mortgage, it may be to the advantage of the borrower, lender, and the FHA to remove the home from the lot upon which the appraisal for mortgage insurance was based. Reference: For more information on relocating a home, see HUD 4150.1, <i>Valuation Analysis for Home Mortgage Insurance</i>.
4155.2 10.B.1.b Lender Request Requirements	To request a change in the location of a home after insurance, the lender must • prepare a supplementary case binder containing – the lender’s request, and – supporting documentation (such as architectural exhibits, a copy of the permit, and a description of materials), and • submit the binder/request to the Homeownership Center (HOC) for processing.

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1. Non-Emergency Procedure for Change in Home Location After Insurance, Continued

4155.2 10.B.1.c
Processing a
Non-
Emergency
Request for a
Change in
Home Location

The [HOC](#) will follow the steps in the table below to process a request from a lender for a change in the location of a home after insurance.

Step	The HOC will ...
1	Upon receipt of the request from the lender, obtain any additional information, if needed.
2	Analyze the proposal.
3	Determine whether or not the change of home location is acceptable to FHA. Is the change of location acceptable to FHA? • If <i>yes</i>, go to Step 5. • If <i>no</i>, go to Step 4.
4	If the change in location is <i>unacceptable</i> • notify the lender • not maintain the supplementary binder • retain a copy of the HOC decision in the loan servicing file. This step completes this procedure if the change is <i>unacceptable</i>.

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1. Non-Emergency Procedure for Change in Home Location After Insurance, Continued

4155.2 10.B.1.c Processing a Non-Emergency Request for a Change in Home Location (continued)

Step	The HOC will ...
5	If the change of location is <i>acceptable</i> • prepare a letter to the lender stating that – the lender has the responsibility for maintaining a good and valid first lien – approval is conditioned upon the completion of the move and installation of the house in a manner satisfactory to FHA, and – FHA will make appropriate property inspections to determine if the conditions upon which FHA based its approval have been met, and • go to Step 6. Note: If, after issuance of the letter, it is found that the structure will not be moved, it is not necessary to maintain the supplementary binder.
6	Once the home is relocated • arrange for an inspection of the property to determine if the move of the structure has been satisfactorily accomplished, and • ensure that a certificate of occupancy is obtained from the local jurisdiction. Note: A comprehensive engineering report is needed to ensure that the dwelling is structurally sound. A compliance inspection by an FHA Roster inspector is required to ensure that utilities are hooked up, proper foundations are used, there is satisfactory grading and drainage, repairs of damage are made, and any other necessary corrections are completed.
7	Upon completion of a satisfactory inspection • recall from Central Records the original insured case binder • merge the supplementary case binder documentation into the original case binder, and • return the original case binder to Central Records.

2. Emergency Procedure for Change in Home Location After Insurance

Introduction This topic contains information on emergency changes of location after mortgage insurance, including

- reasons for an emergency request for a change in home location after insurance, and
 - processing an emergency request for a change in home location after insurance.
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Change Date March 24, 2011

4155.2 10.B.2.a Reasons for an Emergency Request for a Change of Location After Insurance Following an earthquake or other disaster

- a structure located on a property that is security for an insured mortgage may be hazardous, even if undamaged or only slightly damaged, or
 - the surrounding area may be so hazardous as to preclude continued occupancy of the residence.
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4155.2 10.B.2.b Processing an Emergency Request for a Change in Home Location After Insurance Upon receipt of the lender's request and supplementary case binder, as described in [HUD 4155.2 10.B.1.b](#), the appropriate Homeownership Center (HOC) will

- prepare and sign a letter to the lender that
 - states that the move is acceptable to FHA, and
 - requests that the necessary information regarding the move to the permanent lot be supplied as soon as possible, and
 - follow the procedures set forth in [HUD 4330.1](#), *Administration of Insured Home Mortgages*, for further processing of the request.
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