



WHOLESALE ANNOUNCEMENT 2023-68

November 27, 2023

FHA Updates



Effective Date

Effective immediately

Guideline Updates:

Properties with ADUs

- Revisions to Rental Income Policies, Property Eligibility, and Appraisal Protocols for Accessory Dwelling Units, which provide expanded financing options for borrowers seeking to purchase properties with an existing accessory dwelling unit (ADU), rehabilitate existing structures to add ADUs, or construct new homes with ADUs have been made. To support these changes, FHA is enhancing its FHA Connection system by adding:
 - An "Amount of Total Income Derived from ADU" field to the Forward Loan Insurance Application
 - Lenders must use this field to indicate the dollar amount of ADU rental income that is included in Total Income
 - "Limited or No History of ADU Income" checkbox to the Forward Loan Insurance Application

Sales Comparison Approach for Manufactured Housing

- Requires appraisers to use the most appropriate site-built-home comparable sales when there are less than two comparable sales of these GSE-certified manufactured homes available
- Aligns FHA appraisal requirements with those of other industry participants, providing more precision in determining an appraised value for these homes, which in turn will expand flexibilities for borrowers seeking FHA-insured mortgages on these properties. This update supports FHA's efforts to increase the availability and affordability of manufactured housing

**FHA Product Announcement has been posted on FCM's
[Wholesale Knowledge Center](#)**

Should you have any questions, please reach out to your Account Executive or Client Manager