

FHA Lender Approval Requirements

Paragraph references are in the Title II Mortgagee Approval Handbook 4060.1, Rev-2 at: <http://www.hud.gov/offices/adm/hudclips/handbooks/hsg/h/>.
If only applying for Title I approval, see Title I Lender Approval Handbook 4700.2 at: <http://www.hud.gov/offices/adm/hudclips/handbooks/hsg/h/> and Title I Letters TI-469, TI-478 and TI-03-01 at: <http://www.hud.gov/offices/adm/hudclips/letters/title1/>.

Required Documents for Each FHA Approval Type

Nonsupervised Loan Correspondent

Mortgage Brokers, Correspondent Lenders & Mortgage Lenders
Paragraph 1-2(C)

- Application Form 11701
- \$1,000 Application Fee Paragraph 2-7.
- State License or Registration Paragraphs 2-3 and 3-2(A)7
- State DBA Approval, if applicable Paragraphs 2-4 and 3-2(A)8
- Business Credit Report on Applicant Paragraph 3-2(A)4
- Audited Financial Statements Paragraphs 2-5, 2-6 and 3-2(A)6
- LLC Documents, if applicable Paragraphs 2-2(C) and 3-3(B)
- Partnership Agreement, if applicable Paragraphs 2-2(B) and 3-3(A)
- Evidence of office facilities Paragraphs 2-11(A) and 3-2(A)9
- Sanctions Letter Paragraphs 2-10 & 3-2(A)14
- Quality Control Plan Paragraphs 7-1 through 7-12, as appropriate
- Resume(s) Paragraph 3-2(A)5
- Credit Reports on Principals Paragraph 3-2(A)4
- Combination Sponsor/Funding Letter Paragraphs 3-2(A)1, 3-2(A)13

Nonsupervised Mortgagee

Correspondent Lenders & Mortgage Lenders
Paragraph 1-2(B)

- Application Form 11701
- \$1,000 Application Fee Paragraph 2-7
- State License or Registration Paragraphs 2-3 and 3-2(A)7
- State DBA Approval, if applicable Paragraphs 2-4 and 3-2(A)8
- Business Credit Report on Applicant Paragraph 3-2(A)4
- Audited Financial Statements Paragraphs 2-5, 2-6 and 3-2(A)6
- LLC Documents, if applicable Paragraphs 2-2(C) and 3-3(B)
- Partnership Agreement, if applicable Paragraphs 2-2(B) and 3-3(A)
- Evidence of office facilities Paragraphs 2-11(A) and 3-2(A)9
- Funding Program Paragraph 3-2(A)13a & 3-2(A)13b
- Sanctions Letter Paragraphs 2-10 & 3-2(A)14
- Quality Control Plan Paragraphs 7-1 through 7-12, as appropriate
- Fidelity Bond \$300,000 minimum Paragraph 3-2(A)10
- Errors & Omissions Insurance \$300,000 minimum Paragraph 3-2(A)11
- Resume(s) Paragraph 3-2(A)5
- Credit Reports on Principals Paragraph 3-2(A)4

Supervised Loan Correspondent

Banks and Credit Unions Paragraph 1-2(D)

- Application Form 11701
- \$1,000 Application Fee Paragraph 2-7.
- State DBA Approval, if applicable Paragraphs 2-4 and 3-2(A)8
- Quality Control Plan Paragraphs 7-1 through 7-12, as appropriate
- Combination Sponsor/Funding Letter Paragraphs 3-2(A)1, 3-2(A)13

Supervised Mortgagee

Banks and Credit Unions Paragraph 1-2(A)

- Application Form 11701
- \$1,000 Application Fee Paragraph 2-7.
- State DBA Approval, if applicable Paragraphs 2-4 and 3-2(A)8
- Quality Control Plan Paragraphs 7-1 through 7-12, as appropriate
- Fidelity Bond \$300,000 minimum Paragraph 3-2(A)10
- Errors & Omissions Insurance \$300,000 minimum Paragraph 3-2(A)11

Government Mortgagee

Paragraph 1-2(F)

- Application Form 11701
- State DBA Approval, if applicable Paragraphs 2-4 and 3-2(A)8
- Quality Control Plan Paragraphs 7-1 through 7-12, as appropriate
- Fidelity Bond \$300,000 minimum Paragraph 3-2(A)10
- Errors & Omissions Insurance \$300,000 minimum Paragraph 3-2(A)11
- Resume(s) Paragraph 3-2(A)5

Investing Lender

Paragraph 1-2(E)

- Application Form 11701
- \$1,000 Application Fee Paragraph 2-7.
- State License or Registration Paragraphs 2-3 and 3-2(A)7
- State DBA Approval, if applicable Paragraphs 2-4 and 3-2(A)8
- Business Credit Report on Applicant Paragraph 3-2(A)4
- LLC Documents, if applicable Paragraphs 2-2(C) and 3-3(B)
- Partnership Agreement, if applicable Paragraphs 2-2(B) and 3-3(A)
- Funding Program Paragraph 3-2(A)13a & 3-2(A)13b
- Sanctions Letter Paragraphs 2-10 & 3-2(A)14
- Fidelity Bond \$300,000 minimum Paragraph 3-2(A)10
- Errors & Omissions Insurance \$300,000 minimum Paragraph 3-2(A)11
- Resume(s) Paragraph 3-2(A)5
- Credit Reports on Principals Paragraph 3-2(A)4

General FHA Lender Approval Requirements

Acceptable Business Forms* *paragraph 2-2*

- Corporations
- Partnerships
- Limited liability companies
- Chartered financial institutions
- Government agencies

*Sole proprietorships are **not** permitted

Owners and Officers *paragraphs 2-9 and 2-10*

- Cannot be debarred, suspended or otherwise ineligible
- The officer who will be in charge of the FHA operation must have at least 3 years of experience in the proposed FHA mortgage operations and cannot have outside or self employment in the mortgage or real estate industry or related field.

Staffing *paragraphs 2-9 and 2-12*

- At least two or more full time employees
- A shared receptionist is permitted but cannot be used to meet this requirement
- All employees (except a shared receptionist) must have their income earned on a lender's FHA business W-2'd and cannot have outside or self employment in the mortgage or real estate industry or related field.

Office Facilities *paragraph 2-11*

- Must be separate and apart from any other entity in commercially zoned space
- Can share reception areas with other companies.
- Must be clearly identified to the public with a permanent business sign

Applying for Approval

Addresses for Submission of FHA Lender Approval Application Package	Addresses for \$1,000 Application Fee and Fee Cover Sheet
<p data-bbox="308 1165 544 1186" style="text-align: center;">Do not send your application package to these addresses</p> <p data-bbox="381 1270 479 1291" style="text-align: center;">U.S. Mail</p> <p data-bbox="138 1333 641 1407">FHA Lender Approval & Recertification Division 451 7th Street, SW, Rm B133 / P3214 Washington, D.C. 20410-8888</p> <p data-bbox="316 1438 535 1459" style="text-align: center;">Overnight delivery</p> <p data-bbox="138 1491 641 1564">FHA Lender Approval & Recertification Division 490 L'Enfant Plaza East, SW, Suite 3214 Washington, D.C. 20024-2118</p>	<p data-bbox="1112 1249 1242 1270" style="text-align: center;">Title II Fee:</p> <p data-bbox="803 1270 1485 1407">HUD P.O. Box 198619 Atlanta, GA 30384 Title II Fee Cover Sheet: http://www.hud.gov/offices/adm/hudclips/forms/files/11701a.doc</p> <p data-bbox="1096 1438 1226 1459" style="text-align: center;">Title I Fee:</p> <p data-bbox="803 1470 1485 1606">HUD P. O. Box 198608 Atlanta, GA 30384 Title I Fee Cover Sheet: http://www.hud.gov/offices/adm/hudclips/forms/files/11701b.doc</p> <p data-bbox="803 1627 1372 1659">If applying for both, sent the fee to the Title II lockbox</p>

If you have any questions, please contact the FHA Resource Center. Its home web page is: <http://www.hud.gov/offices/hsg/sfh/fharesourcetr.cfm> . You can eMail the Resource Center at hud@custhelp.com or call them Monday-Friday, 8 am to 8 pm ET at (800) CALLFHA or (800) 225-5342.

Please visit FHA's comprehensive lender page at: <http://www.hud.gov/groups/lenders.cfm> for more links.

Thank you for your interest in FHA