



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Date: January 20, 2023

Mortgagee Letter 2023-01

To: All FHA-Approved Mortgagees
All Direct Endorsement Underwriters
All Eligible Submission Sources for Condominium Project Approvals
All FHA Roster Appraisers
All FHA-Approved 203(k) Consultants
All HUD-Approved Housing Counselors
All HUD-Approved Nonprofit Organizations
All Governmental Entity Participants
All Real Estate Brokers
All Closing Agents

Subject Updated Instructions for Single Family Forward Mortgage Model Documents for Government Sponsored Enterprises Security Instrument and Note Updates

Purpose The purpose of this Mortgagee Letter (ML) is to provide Mortgagees instructions on the FHA-specific modifications for use with an updated Government Sponsored Enterprises (GSE) security instrument or note.

Effective Date The provisions of this ML are effective immediately.

Public Feedback HUD welcomes feedback from interested parties for a period of 30 calendar days from the date of issuance. To provide feedback on this policy document, please send feedback to the FHA Resource Center at answers@hud.gov. HUD will consider the feedback in determining the need for future updates.

Affected Programs The provisions of this ML apply to all FHA Title II Forward Mortgage programs.

Background

HUD’s Single Family Housing Policy Handbook 4000.1, Section II.A.6.b, provides that a Mortgagee must develop or obtain a separate forward Mortgage and Note that conforms generally to the GSEs’ forms in both form and content, but which includes specific modifications required by FHA as set forth in the applicable FHA Forward Model Note and Mortgage and related instructions provided by FHA. The instructions on the FHA-specific changes were linked from the Single Family Housing Policy Handbook to the Single Family Mortgage Model Documents webpage at:

https://www.hud.gov/program_offices/housing/sfh/model_documents. The instructions for the required modifications were based on specific terms, sections, and paragraphs found in the GSE Forms, which existed at that time.

On July 7, 2021, the GSEs announced updates to their uniform instruments with a mandatory use requirement as of January 1, 2023 (2023 GSE Forms). The 2023 GSE Forms no longer align with FHA’s 2015 instructions, which set forth FHA-specific modifications based on the 2001 GSE legal documents (2001 GSE Forms). As a result, FHA is publishing instructions to its Single Family Mortgage Model Documents webpage that will provide the FHA-specific modifications required for the 2023 GSE Forms now in use by the GSEs.

Summary of Changes

This ML:

- informs Mortgagees of the FHA specific modifications, as described in section II.A.6.b, *Mortgage and Note*, and found at: https://www.hud.gov/program_offices/housing/sfh/model_documents.
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Single Family Mortgage Model Documents

FHA is not requiring the use of the 2023 GSE Forms; however, if a Mortgagee does utilize the 2023 GSE Forms, they are advised that FHA has added instructions on the FHA-specific modifications that must be made to the 2023 GSE Forms to be acceptable for FHA mortgage insurance.

FHA will continue to accept the 2001 GSE Forms that include the specific modifications required by FHA.

The instructions for both 2001 GSE Forms and 2023 GSE Forms are linked in the Single Family Housing Policy Handbook, Section II.A.6.b and are found at:

https://www.hud.gov/program_offices/housing/sfh/model_documents.

Mortgagees are reminded that they must ensure that the Mortgage and Note comply with all applicable state and local requirements for creating a recordable and enforceable Mortgage and an enforceable Note.

**Paperwork
Reduction Act**

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501-3520) and assigned OMB control numbers 2502-0005; 2502-0059; 2502-0117; 2502-0189; 2502-0302; 2502-0306; 2502-0322; 2502-0358; 2502-0404; 2502-0414; 2502-0429; 2502-0494; 2502-0496; 2502-0525; 2502-0527; 2502-0538; 2502-0540; 2502-0556; 2502-0561; 2502-0566; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0595; 2502-0600; and 2502-0610. In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

Questions

Any questions regarding this ML may be directed to the FHA Resource Center at 1-800-CALL-FHA (1-800-225-5342), answers@hud.gov, or www.hud.gov/answers. The FHA Resource Center is prepared to accept calls from persons who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. Information on how to make an accessible phone call is available at <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

Signature

Julia R. Gordon
Assistant Secretary for Housing -
FHA Commissioner
