



## Bulletin 19-19

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### **Updates to FHA Warranty and Roster Inspector Requirements**

HUD recently announced changes to their requirements for obtaining a 10-year warranty and their Inspector Roster in Mortgagee Letters [2019-04](#) and [2019-05](#) issued March 12, 2019.

#### **FHA Inspector Roster**

FHA will no longer maintain a roster of approved inspectors. Previously an FHA roster inspector was required to complete inspections on new construction when not completed by the local authority.

When a local jurisdiction does not provide building code enforcement FHA will now allow required inspections to be completed by an International Code Council (ICC) certified Residential Combination Inspector (RCI) or Combination Inspectors (CI).

In the event a local jurisdiction does not have access to a certified RCI or CI, HUD will then allow the inspection to be completed by a third party who is a registered architect, professional engineer or a trades person/contractor with a minimum of 5 years' experience. The third party must also be licensed and bonded in the state where the property is located

The above change may be applied to new submissions and loans currently in the pipeline.

#### **10-Year Warranty**

FHA will no longer require the borrower to purchase a 10-year warranty on new construction properties. HUD [Form 92544](#) Warranty of Completion of Construction, which provides the borrower a 1-year warranty against defects in equipment, material, or workmanship etc., is still required.

The removal of the 10-year warranty requirement is effective for case numbers assigned on or after March 14, 2019.

The FHA program guidelines will be updated with this information and posted on the Homebridge website at [www.homebridgewholesale.com](http://www.homebridgewholesale.com) in the near future.

If you have any questions, please contact your Account Executive