



## **MFM Bulletin: 007-2022**

**Date:** February 2, 2022

**Subject:** FHA 4000.1 Handbook Changes and Guideline Clarifications

The FHA (Federal Housing Administration) has made change to FHA Handbook 4000.1 and provided additional clarification on current guidelines. The following updates are effective immediately:

- **Assets:**  
FHA has removed the requirement to obtain a written “access” statement for bank accounts jointly held by a borrower and non-borrower.
- **Credit:**  
FHA clarified that for mortgages underwritten through TOTAL Scorecard or manually underwritten, the lender must have payment history on the current mortgage through the month of closing verifying the borrower has made all payments for all mortgages within the month due for the previous 12 months, or since the borrower obtained the mortgages, whichever is less.
- **Gifts:**  
FHA provided guidance regarding gifts of land to require proof of ownership by the donor and evidence of the transfer of title to the borrower.
- **Income:**  
FHA added underwriting guidance for borrowers affected by a government shutdown or similar pause in employment: For federal, state, tribal, or local government employees temporarily out of work due to a government shutdown or other similar, temporary events where lost income is anticipated to be recovered, income preceding the shutdown can now be considered as effective income:
  - For borrowers returning to work before or at the time of the first mortgage payment due date, the lender may use the borrower’s pre-leave income as Effective Income.
  - For borrowers returning to work after the first mortgage payment due date, the seller may use the borrower’s current income plus available surplus liquid asset Reserves, above and beyond any required Reserves, as an income supplement up to the amount of the borrower’s pre-leave income.
- **Good and Marketable Title:**  
FHA clarified that lenders must obtain evidence of good and marketable title and provide clarification on Manufactured Homes title.



- **Manufactured Housing:**

As a reminder, good and marketable title showing the Manufactured Home and land are classified as real estate at the time of closing is required. If there were two existing titles at the time the housing unit was purchased, lenders must ensure that all state or local requirements for proper purging of the title (chattel) have been met, and the subject property is classified as real estate prior to endorsement. This requires a copy of the recorded "Affidavit of Affixture" or similar document depending on state requirements.

Please contact the MFM Underwriting department ([underwriting@memberfirstmortgage.com](mailto:underwriting@memberfirstmortgage.com)) if you have any questions or concerns.

Thank you