

Lenders Compliance Group

Thursday, February 3, 2011

FHA: Extends 'Anti-Flipping Waiver'

As published in the Federal Register today, February 3, 2011, FHA is extending the availability of the temporary waiver of its regulation that prohibits the use of FHA financing to purchase single family properties that are being resold within 90 days of the previous acquisition, until December 31, 2011.

This waiver, which was issued in January 2010, took effect for all sales contracts executed on or after February 1, 2010, and was set to expire on February 1, 2011.

We provided information about this 'anti-flipping waiver' in our [January 25, 2010 Compliance Alert](#).

Prior to the waiver, a mortgage was not eligible for FHA insurance if the contract of sale for the purchase of the property that is the subject of the mortgage is executed within 90 days of the prior acquisition by the seller and the seller does not come under any of the exemptions to this 90-day period that are specified in the regulation.

However, as a result of the high foreclosures that have been taking place, FHA offered the waiver as a means to:

- "encourage investors that specialize in acquiring and renovating properties to renovate foreclosed and abandoned homes with the objective of increasing the availability of affordable homes for first-time and other purchasers and helping to stabilize real estate prices as well as neighborhoods and communities where foreclosure activity has been high."

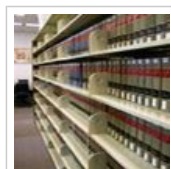
Applicability

- The waiver is applicable to all single family properties being resold within the 90-day period after prior acquisition, and was not limited to foreclosed properties.
- Additionally, the waiver is subject to certain conditions, and eligible mortgages must meet these conditions to take advantage of the waiver.
- The waiver is not applicable to mortgages insured under HUD's Home Equity Conversion Mortgage (HECM) Program.

Timeframe

- FHA is still interested in receiving comments from the public and will accept comments until April 4, 2011.
- Effective Date: **February 1, 2011 through December 31, 2011.**

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- FHA: Temporary Exemption From Compliance With FHA's Regulation on Property Flipping Extension of Exemption, [Federal Register](#): 76/23 (2/3/11)

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- FHA '[Anti-Flipping Waiver](#)' - Temporary Exemption from Compliance with FHA's Regulation on Property Flipping Extension of Exemption (1/28/11)
- FHA Extends 'Anti-Flipping Waiver' to Help Stabilize Housing Market, [Press Release](#), HUD No. 11-007 (1/28/11)



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