



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

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

**Date: August 6, 2024**

**Mortgagee Letter 2024-16**

**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-Certified Housing Counselors  
All HUD-Approved Nonprofit Organizations  
All Governmental Entity Participants  
All Real Estate Brokers  
All Closing Agents

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**Subject** Extension to the Effective Date of Appraisal Review and Reconsideration of Value (ROV) Updates

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**Purpose** This Mortgagee Letter (ML) updates and extends the effective date of ML 2024-07, *Appraisal Review and Reconsideration of Value Updates*.

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**Effective Date** The provisions of ML 2024-07 may be implemented immediately but must be implemented for FHA case numbers assigned on or after October 31, 2024.

All updates will be incorporated into a forthcoming update of the HUD Handbook 4000.1, *FHA Single Family Housing Policy Handbook* (Handbook 4000.1).

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**Affected Programs** The provisions of this ML apply to FHA Single Family Title II forward and Home Equity Conversion Mortgage (HECM) programs.

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**Background** ML 2024-07, published May 1, 2024, clarified and established additional standards for appraisal reviews, ordering a second appraisal, and the borrower-initiated ROV process, which includes borrower disclosures. These ML changes were incorporated into Handbook 4000.1, issued on May

## Mortgagee Letter 2024-16, Continued

20, 2024. The associated changes are identified in the Handbook Transmittal section with the effective date as previously announced in the ML.

FHA has carefully considered industry feedback received since ML publication and recognizes the challenges for Mortgagees to operationalize this important policy update properly and effectively within the original 120-Day time frame. Therefore, FHA is providing additional time beyond the previously announced effective date to ensure Mortgagees have sufficient time for implementation.

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### Summary of Changes

This ML extends the effective date of ML 2024-07.

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### 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; 2502-0524; 2502-0525; 2502-0527; 2502-0538; 2502-0540; 2502-0556; 2502-0561; 2502-0566; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0600; 2502-0610; and 2502-0611. 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.

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### Feedback or Questions

HUD welcomes feedback from interested parties and will consider feedback in determining the need for future updates. Any feedback or questions regarding this ML may be directed to the FHA Resource Center at 1-800-CALLFHA (1-800-225-5342), [answers@hud.gov](mailto:answers@hud.gov), or [www.hud.gov/answers](http://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>.

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### Signature

Julia R. Gordon  
Assistant Secretary for Housing -  
FHA Commissioner

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