



FHA INFO 2024-71

October 21, 2024

Temporary Policy Waivers Related to Hurricane/Tropical Storm Helene and Hurricane Milton

In this Announcement:

- 203(k) Limited Temporary Waiver Hurricane Helene
- Temporary Waiver of 14-day Damage Inspection Reports in Overlapping Presidentially-declared Major Disaster Areas

See below for details:

203(k) Limited Temporary Waiver Hurricane/Tropical Storm Helene and Hurricane Milton

Today, the Federal Housing Administration (FHA) posted a [temporary waiver](#) on [hud.gov](https://www.hud.gov) of its [203\(k\) Rehabilitation Mortgage Insurance Program](#) requirement that states, when a repair is considered "major," it becomes ineligible to be financed as part of the 203(k) Limited program, if the repairs prevent the borrower from occupying the property for more than 15 days.

As result of the Presidentially-declared Major Disaster Areas (PDMDAs) related to Hurricane/Tropical Storm Helene and Hurricane Milton, many properties were severely impacted or destroyed and are now in serious need of rehabilitation and/or repair. FHA believes a temporary waiver of its definition of "major repair" related to the 15 days (or 30 days after November 4, 2024) needed for repair completion is crucial to ensure homeowners in this PDMDA can rebuild their properties.

Today's [temporary waiver](#) applies to FHA-insured Limited 203(k) mortgages closed on or before August 31, 2025. While this temporary policy waives the 15-day occupancy requirement for this PDMDA, the requirement that at least one borrower resides in the property within 60 days remains the same. For more information, view the published policy in the [Single Family Housing Policy Handbook 4000.1](#) (Handbook 4000.1) II.A.1.b.iii (A) for Principal Residences.

This [temporary policy waiver](#) is effective through August 31, 2025. The extended waiver period accounts for any construction delays possibly due to the continued hurricane season as well as the upcoming winter season.

Temporary Waiver of 14-day Damage Inspection Report Requirement in Overlapping Presidentially-declared Major Disaster Areas

Today, the Federal Housing Administration (FHA) issued a [temporary waiver](#) of its policy requiring damage inspection reports for properties in Presidentially-declared Major Disaster Areas (PDMDAs) that must be completed after the closure date of an incident period as determined by the [Federal Emergency Management Agency](#) (FEMA), or at least 14-days from the start of the incident period, whichever is earlier. This temporary waiver of a second 14-day incident period applies specifically to inspection reports associated with the Hurricane Milton PDMDA ([DR-4834-FL](#)), as declared on October 11, 2024.

Due to Hurricane/Tropical Storm Helene and Hurricane Milton, both of which severely impacted similar regions within a 14-day period, FHA's current policy of requiring a separate 14-day waiting period for damage inspections and reports following each event has created the potential for extensive repair/rehabilitation delays for homebuyers and sellers.

FHA believes that the presence of [FEMA](#) in areas already included in the multiple Hurricane/Tropical Storm Helene PDMDAs provides enough stability and risk mitigation to eliminate the requirement for a second 14-day waiting period for inspection and damage reports associated with the Hurricane Milton PDMDA ([DR-4834-FL](#)). While this policy waves the 14-day waiting period to conduct the damage inspection report, the requirement to conduct a damage inspection report, and other inspection and repair escrow requirements, for all properties with pending mortgages or endorsements in the PDMDAs remain the same.

In summary, this [temporary waiver](#):

- applies only to properties located within the overlapping PDMDAs;
- waives the 14-day waiting period to conduct the damage inspection report;
- does not waive the damage inspection report or inspection and repair escrow requirements;
- is not applicable to properties located in areas included in the Florida Hurricane Milton PDMDA ([DR-4834-FL](#)), unless the properties were also included in a PDMDA associated with Hurricane/Tropical Storm Helene.

This [waiver](#) of [Single Family Housing Policy Handbook 4000.1](#) (Handbook 4000.1) policy — sections II.A.7.c, II.B.6.a.xiii, and II.B.7.c. — is effective immediately.

Mortgagees are encouraged to review both waivers. For questions or additional information, contact the FHA Resource Center, referenced below.

Need Support? Contact the FHA Resource Center.

- Visit our knowledge base to obtain answers to frequently asked questions 24/7 at www.hud.gov/answers.
- E-mail answers@hud.gov. Emails and phone messages will be responded to during normal hours of operation, 8:00 AM to 8:00 PM (Eastern), Monday through Friday on all non-Federal holidays.
- Call 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

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