

FHA Rental Income

Purpose

This announcement includes the following topic:

- ✓ FHA Rental Income – *temporary COVID 19 guidance*
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**FHA Rental
Income –
temporary
COVID 19
guidance**

Per [Mortgage Letter 2020-24](#), *In Addition* to the requirements in SF Handbook 4000.1, where a borrower is qualifying utilizing rental income, for each property generating rental income the following applies:

- Reduce the effective income associated with the calculation of rental income by 25%, **OR**
- Verify 6 months PITI reserves, **OR**
- Verify the borrower has received the previous 2 months rental payments as evidenced by borrower’s bank statements showing the deposit (this option is applicable only for borrowers with a history of rental income from the property)

*Note: This temporary guidance is **effective for case numbers assigned on or after August 12, 2020 through November 30, 2020.***

Effective Date

As Noted

Question

Retail – Please contact your Manager
Mod Corr – Please contact your Account Executive
