

Announcement # 24-100**Date:** September 23, 2024

FHA Mortgage Letter 2024-13: Updates to the 203(k) Program

Effective for FHA casefile numbers assigned on or after November 4, 2024 and announced in Mortgagee Letter 2024-13, FHA is expanding the 203(k) program which includes the following:

Limited 203(k) Updates

- Updated the total rehabilitation costs maximum from \$35,000 to \$75,000
- Extended timeframe for definition of ineligible “major” repairs
 - Repairs that are expected to require more than 6 months expanded to 9 months
 - Repairs preventing the borrower from occupying expanded from 15 days to 30 days.
- Extended timeframe for completion of repairs from 6 months to 9 months
- Now permitting the consultant fee to be financed.

Standard 203(k) Updates

- Changed the financeable mortgage payment reserve from 6 months to 12 months.
- Extended timeframe for completion of repairs from 6 months to 12 months

General 203(k) Updates

- Increased the 203(k) Consultant maximum fees for the following:
 - Feasibility Study
 - Work Write-Up
 - Draw Inspection Fee
 - Change Order Fee
 - Reinspection Fee
 - Mileage Fee

Pennymac is aligning with these changes. Refer to FHA Mortgagee Letter 2024-13 and FHA Info 2024-44 and 2024-59 for additional information and complete requirements.

Please contact your Sales Representative with any questions.