

How to Become an FHA-Approved Lender

Summary of FHA Lender Approval Requirements

See the *FHA Title II Mortgagee Approval Handbook 4060.1, Rev-2* at:
http://hudclips.org/sub_nonhud/cgi/pdfforms/40601HB.doc for full details.

Loan Correspondent (Mini-Eagle)

- [HUD Form 11701](#)
- Copy of State License
- Pictures of facilities, floor plan, certification that facilities comply with FHA requirements. Photos must be of the inside and outside of facility. Photos must display the company name on door, directory or an outside sign.
- Certified (Original) Audited financial statement with a computation of adjusted net worth (must be at least \$63,000. 20% of assets must be liquid) Financials cannot be over 1 year old.
- Original Residential Mortgage Credit Reports on senior officers and all persons having 25% or more ownership interest. Business Credit Report or Dunn & Bradstreet on applicant. (no copies)
- Resume of Senior Corporate Official designated to handle FHA affairs. (must show at least 3 years of experience in loan origination.)
- Funding Letter from initial sponsor
- Quality Control Plan
- Sanctions Letter (Certification that lender has not been sanctioned.
- \$1,000.00 Fee (non-refundable)

Non-Supervised Lender (Eagle)

- [HUD Form 11701](#)
- Copy of State License
- Pictures of facilities, floor plan, certification that facilities comply with FHA requirements. Photos must be of the inside and outside of facility. Photos must display the company name on door, directory or an outside sign.
- Certified (Original) Audited financial statement with a computation of adjusted net worth (must be at least \$250,000. 20% of which is liquid) Financials cannot be over 1 year old.
- Resume of Senior Corporate Official designated to handle FHA affairs. (must show at least 3 years of experience in loan origination and/or servicing.)
- Original Residential Mortgage Credit Reports on senior officers and all persons having 25% or more ownership interest. Business Credit Report or Dunn & Bradstreet on applicant. (no copies)

- Evidence of \$1 million line of credit or equivalent funding program
- Quality Control Plan
- Sanctions Letter (Certification that lender has not been sanctioned.
- Fidelity Bond and Errors and Omissions Coverage for at least \$300,000 each
- \$1,000.00 Fee (non-refundable)

Supervised Lender (Eagle)

- [HUD Form 11701](#)
- Quality Control Plan
- Fidelity Bond and Errors and Omissions Coverage (\$300,000 each)
- \$1,000.00 Fee (non-refundable)

Supervised Loan Correspondent

- [HUD Form 11701](#)
- Quality Control Plan
- Funding Letter from initial sponsor
- \$1,000.00 Fee (non-refundable)

Investing Lender

- [HUD Form 11701](#)
- Quality Control Plan
- Fidelity Bond and Errors and Omissions Coverage (\$300,000 each)
- Evidence of \$1 million line of credit or equivalent funding program
- \$1,000.00 Fee (non-refundable)

Applications for approval should be submitted to:

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Overnight:

HUD
Lender Approval and Recertification Division
490 L'Enfant Plaza East, SW, Suite 3214
Washington, DC 20024

US Mail:

HUD
Lender Approval and Recertification Division
451 7th Street, S.W., Room B133/P3214
Washington, DC 20410

The Lender Approval Division can be contacted at:

FHALender@hud.gov

FAX: (202) 755-0303

Telephone: (202) 708-3976

HUD's Web Site for Lenders is at:

<http://www.hud.gov/groups/lenders.cfm>

GENERAL FHA LENDER APPROVAL REQUIREMENTS

Acceptable Business Forms *(Sole proprietorships are **not** permitted)*

- Corporations
- Partnerships
- Limited Liability Companies with 2 or more members
- Chartered financial institution

Staff

- At least two or more full time employees
- A shared receptionist is permitted but cannot be used to meet this requirement
- All employees (except a shared receptionist) must be employed **exclusively** by the applicant

Office Facilities

- Must be separate and apart from any other entity
- Must be in a location conducive to mortgage lending
- Must be clearly identified to the public with a permanent business sign