



**FHA INFO 2022-104**

**December 15, 2022**

### **FHA Revises Dual Employment Requirements and Clarifies Other Conflict of Interest Policies**

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2022-22, Clarification of Conflict of Interest and Dual Employment Policy for Most Title II Single Family FHA-Insured Mortgage Transactions](#).

This ML revises FHA policy to permit individuals that do not have a direct impact on the mortgage approval decision to have various compensated positions for services performed and allowed by HUD, provided that the transaction complies with all applicable federal, state, and local laws, rules, and requirements. This change aligns FHA requirements with those of other industry participants.

In addition, today's ML consolidates various conflict of interest and dual employment subsections of *Single Family Housing Policy Handbook* 4000.1 ([Handbook 4000.1](#)) into one subsection and clarifies FHA policy regarding prohibited conflicts of interest by individuals that directly impact the mortgage approval decision, and permitted dual employment for other individuals performing services in a single FHA-insured transaction. The policy consolidation and clarifications contained in this ML are designed to facilitate easier understanding of existing FHA requirements based on feedback FHA has previously received.

The clarifications apply to all FHA-insured transactions unless otherwise specified in program requirements. Additionally, the clarifications:

- Explicitly prohibit individuals directly impacting the loan approval decision from having multiple roles or sources of compensation, either directly or indirectly, from the same FHA-insured transaction;
- Reinforce the mortgagee's responsibility to ensure compliance with updated conflict of interest guidelines and existing policy regarding prohibited payments; and
- Consolidate general conflict of interest and dual employment policy in Handbook 4000.1.

The provisions of this ML are effective immediately.

These updates will be incorporated into a future version of [Handbook 4000.1](#).

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- E-mail [answers@hud.gov](mailto: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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