

### FHA Updates Its Property Inspection Fee Amounts

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2023-20, Update to Property Inspection Fees](#). This ML updates the amounts allowable for property inspection fees for property preservation and protection to align with industry standards.

FHA is updating allowable inspection fees to increase compensation for inspections that determine a property's occupancy status and ensure servicer implementation of required property protections. Property inspections after default and throughout the foreclosure process allow lenders to quickly identify vacant properties so they may quickly take necessary steps to preserve and protect those properties and ensures surrounding neighborhoods are protected from blight that may arise from inadequately maintained unoccupied homes. The increased compensations recognizes that inspection costs have risen, and FHA is moving to better align with industry standards for these critical inspections.

This policy update will be incorporated into a future version of the [Single Family Housing Policy Handbook 4000.1](#).

The provisions of this ML are effective immediately.