

PRIMARY CAPITAL ADVISORS LC, NMLS 3076

17 December 2009

Please be advised, Primary Capital Advisors LC will order all FHA case numbers and FHA appraisal requests through the Primary Capital Valuation Department effective for all case numbers assigned on or after January 1, 2010.

Primary Capital is implementing this procedure due to FHA Mortgagee letter ML-2009-28 related to appraiser independence. (Note: full version can be found on Allregs or HUD website)

The procedure to order a FHA appraisal and case number is the same procedure as ordering a conventional HVCC appraisal. Additional borrower information is required at time of order to complete the Case number request in FHA Connection. See page 2 for a screen shot listing all specific data required to place an order.

ML 2009-28: Appraiser Independence (09/18/09)

This Mortgagee Letter provides clarification and reaffirms Federal Housing Administration (FHA) appraisal requirements related to appraiser independence and announces new requirements pertaining to entities that are eligible to order appraisals for FHA insured mortgages. FHA has long advised lenders and appraisers of the importance of appraiser independence in the context of generally accepted prudent lending practices. In this mortgagee letter, FHA reiterates the importance of appraiser independence, and advises of new requirements regarding who is eligible to request an appraisal from an FHA Roster appraiser. The new requirements set forth in this mortgagee letter will be effective for all case numbers assigned on or after January 1, 2010. The existing requirements will remain in effect.

New Requirements

Prohibition of mortgage brokers and commission based lender staff from the appraisal process


Historically FHA prohibited mortgagees from accepting appraisal reports completed by an appraiser selected, retained or compensated, in any manner by real estate agents. To ensure appraiser independence, FHA-approved lenders are now prohibited from accepting appraisals prepared by FHA Roster appraisers who are selected, retained or compensated in any manner by a mortgage broker or any member of a lender's staff who is compensated on a commission basis tied to the successful completion of a loan.

Appraiser Selection in FHA Connection

Lenders are responsible for assuring that the appraiser who actually conducted the appraisal used for the FHA-insured mortgage is correctly identified in FHA Connection. FHA has found that, on numerous occasions, the name of an appraiser in the appraiser log-in screen is not the appraiser who actually completed the appraisal. Lenders who fail to assure that the FHA Connection reflects the correct name of the appraiser will be subject to administrative sanctions.



Screen shot of Primary Capital's FHA Case Number and Appraisal Request form:

 FHA Case Number and Appraisal Request					
Requestor Name:		Phone:			
Broker/Correspondent Name:					
FHA ID#:		Email:			
	Last Name	First Name	Middle Initial	Date of Birth	SSN
Borrower 1				__/__/__	__-__-__
Borrower 2				__/__/__	__-__-__
Borrower 3				__/__/__	__-__-__
Borrower 4				__/__/__	__-__-__
Property Address (include House #, Unit #, Prefix, Street Name, Post "N", "S", etc)					
City		State		Zip	
City		State		Zip	
Construction Code:		Processing Type:			
Select One		Select One			
ADP Code:		Living Units:			
Loan Term:		Amortization Type:			
		Select One			
Special Program:		Buydown:			
Select One		Select One			
Type of Case:		Select One			
If purchase, is home a HUD REO (sold by HUD)?		Select One			
If refinance, select the following:					
Type:		Select One		and Select One	
Cash-Out?		Select One			
Prior FHA Case number (for streamlines and HUD REO):					
PUD: Select One					
Month/Year completed:		(for under construction and new less than 1 year)			
Estimated Close Date:					

Please contact your Primary Capital Sales Representative with questions.