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Preview

Updates to FHA’s Accessory Dwelling Unit Requirements

Truist Bank (Truist) announces alignment with the U.S. Department of Housing and Urban Development’s recent revisions to Rental Income Policies, Property Eligibility, and Appraisal Protocols for Accessory Dwelling Units.

Effective Dates

Effective for all new and existing FHA applications on or after October 16, 2023.

Background Information

On October 16, 2023, HUD published Mortgagee Letter 2023-17, Revisions to Rental Income Policies, Property Eligibility, and Appraisal Protocols for Accessory Dwelling Units (ADUs). Previously, FHA did not allow for the inclusion of income from an ADU in the borrower’s Effective Income for purposes of qualifying for an FHA-insured mortgage.

Bulletin Details

FHA is updating its appraisal protocols and underwriting requirements to allow the inclusion of income from an ADU in the borrower’s Effective Income for purposes of qualifying for FHA-insured mortgage financing. Truist aligns with these updates. Lenders should consult with their Direct Endorsement (DE) underwriters with any questions.

Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Contact Correspondent Relations Coordinators at 800.382.2111, Option 1.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 3.

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