



## TRANSMITTAL

### SPECIAL ATTENTION OF:

HUD – FHA Approved Mortgagees

**Handbook No.:** 2000.04, REV-2, CHG-22

**Chapter No.:** 7

**Issued:** June 2021

1. This transmits chapter 7, change 22, to Handbook 2000.04, REV-2, Consolidated Audit Guide for Audits of HUD Programs, HUD – FHA Approved Mortgagees Audit Guidance.
2. **Summary:** The chapter updates terminology and reflects changes in references.
3. **Significant Changes:**
  - a. Changes throughout the chapter update policy references to HUD Handbook 4000.1 FHA Single Family Policy Handbook as the consolidated source for all FHA policy.
  - b. Change to section 7-5.A.2.e, Implementation, to clarify the independence of quality control staff.
  - c. Change to section 7-5.A.3.b, Suggested Audit Procedures, to clarify definition of policies and procedures.
  - d. Change to section 7-5.A.3.f, Suggested Audit Procedures, clarify independence of quality control staff.
  - e. Change to section 7-5.A.3.m, Suggested Audit Procedures, to update terminology.
  - f. Changes to section 7-5.F.1.j – 7-5.F.1.l, Compliance Requirements, under Lender Annual Recertification, Adjusted Net Worth, Liquidity, and Licensing, to clarify the definition of certain unacceptable assets.
4. **Filing Instructions:** The issuance of this change updates chapter 7 in its entirety.
5. **Effective Date:** The changes to the chapter are effective for institutions with fiscal years beginning after December 31, 2020.

Rae Oliver Davis  
Inspector General