



FHA PFS Program – Realtor Best Practices

Step One – INTERVIEW THE HOMEOWNER

- Verify loan is FHA
- Is the property owner-occupied?
- Is borrower delinquent?
- Are there any junior liens or outstanding partial claims on the property?
- Has homeowner contacted the Servicing Lender to request approval to participate?



Step Two – APPROVAL TO PARTICIPATE

- Servicer to complete financial analysis
- Servicer to obtain FHA Appraisal – establish market value & verify property condition
- Servicer verifies property has marketable title
- Servicer provides homeowner Form HUD-90045 “Approval to Participate”
- Homeowner must acknowledge Form HUD -90045 within 7 days of receipt
- Real estate broker/agent must be retained to market property within 7 days of the date the approval to participate is granted



Step Three – MARKETING THE PROPERTY

- Verify Listing Agreement includes required cancellation clause
- Request copy of Appraisal from Homeowner’s Servicer
- Property must be listed at no less than the “As Is” value
- Appraisal is valid for 4 months
- Property must be “actively” marketed
- Ensure Homeowner is maintaining the property in “ready to show” condition
- Communicate with the Servicer
- Timelines – 4 months to market the property



Step Four – CONTRACT EXECUTION

- Ensure Arms Length Transaction
- Verify offer meets FHA minimum Net Sales Proceeds
- Verify Seller’s closing costs meet FHA allowable costs
- Servicer to respond to contract submissions within 5 business days from receipt



Step Five – THE CLOSING

- Servicer to provide Closing Agent Form HUD-90052 (Closing Worksheet)
- Closing Agent must calculate actual net proceeds and provide Servicer with HUD-I
- Servicer must review HUD-I to ensure compliance with FHA guidelines
- Servicer gives final approval to close
- Closing Agent to provide final HUD-I and forward net proceeds to Servicer

This document is provided for informational purposes and its contents are subject to change. It is not intended to substitute or alter requirements and guidelines found in FHA handbooks, mortgagee letters and other official FHA publications.