

CAPITOL ♦ TITLE

FHA WAIVES 90 DAY ANTI-FLIPPING RULE THROUGH DECEMBER 31, 2011

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HUD has announced that it has instituted a temporary moratorium on FHA's 90 day anti-flipping rule. With certain exceptions (such as HUD-owned and bank-owned properties) FHA currently prohibits insuring a mortgage on a home owned by the seller for a period of less than 90 days. Under the recently announced moratorium buyers will be eligible to use FHA-insured financing to purchase properties bought and resold by developers or investors who own the property for less than 90 days. Under the temporary moratorium, all transactions must be arm's-length, may require additional documentation of improvements and justification for the increase in price (over what the investor paid for the property) and may also require a second appraisal and property inspection to be ordered by the lender.

If you have questions or we can be of assistance to you or your clients in connection with this or any other real estate transactional matter, please contact one of our offices.

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