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FHA Waiver for Well Water Distance Requirements on Existing Construction

Truist Bank (Truist) is announcing alignment with FHA's recent announcement regarding a broad waiver of the well distance requirements for Individual Water Supply Systems.

Effective Dates

Effective for new and existing loans on or after August 28, 2026.

Background Information

On July 27, 2026, FHA announced the issue of a broad waiver of the well distance requirements for Individual Water Supply Systems. FHA's well water distance requirements do not universally align with those of many local jurisdictions where local authorities have officially deemed lesser distances safe, compliant with local codes, and acceptable for residential use other than those found in Handbook 4000.1. With the waiver, FHA is streamlining its well water distance requirements that may have been a barrier to affordable housing supply.

Bulletin Details

The waiver applies only to existing construction when:

- The property meets the distance requirements of the local jurisdiction*, and
- Acceptable water testing results are documented by the mortgagee.

*The local jurisdiction refers to the local health authority, environmental agency, or governing municipality who has inspected, permitted, or grandfathered the private water system in its current configuration.

This waiver does not apply to FHA's minimum property standards (MPS) for new construction, which is covered under separate guidelines.

Lenders should consult with their Direct Endorsement (DE) underwriters with any questions.

Other Resources

Support Group	Description and Contact Information:
Correspondent Relationship Coordinator	Specific questions on applying this procedure to specific loan files. Contact your Correspondent Relationship Coordinator 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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