

CHAPTER 4. FIRM COMMITMENT

- 4-1. STATEMENT OF APPRAISED VALUE. Prior to submitting the FHA Form 2900, Mortgagees Application for Mortgagor Approval and Commitment for Mortgage Insurance under the National Housing Act, a copy of the Statement of Appraised Value must be provided to the homebuyer. When a Master Conditional Commitment is involved, the mortgagee will receive, included with each of the two copies of the MCC it receives, one blank copy of the Statement of Appraised Value, FHA Form 1322.3. (This form is almost identical to the 2800-6 contained in the Application for Property Appraisal and Commitment for Mortgage Insurance under the National Housing Act, FHA Form 2800, but has been revised slightly to reflect the processing procedure for the MCC.)
- a. For each purchaser, the mortgagee must make two xerox copies of the Statement of Appraised Value provided in the MCC and then fill in the appropriate information on each copy for blocks 1 through 9. Care must be taken by the mortgagee that the information inserted on the Statement of Appraised Value is accurate and correct.
 - b. The mortgagee then provides one of the filled out copies of the Statement to the purchaser.
 - c. On the remaining copy, the purchaser must sign the Purchaser's Certificate acknowledging receipt of the Statement and then the mortgagee must sign the Mortgagee's Certificate. The signed copy is then submitted with the Form 2900 application. FHA will review this copy of the Statement to determine if the information provided the prospective mortgagor is accurate and correct.
- 4-2. RECEIVING. When a sponsor/builder desires approval of a buyer for an individual unit within the development, the mortgagee submits Form 2900 package and a xerox copy of the MCC (front and back) as well as any Amendment to the MCC that may relate to the subject case.
- a. The mortgagee will circle the required information as follows:
 - (1) Lot and Block;

- (2) House Type. Indicate the house type actually built which may differ from that originally proposed. If the commitment requires prior approval of a house type change and the house type circled is one other than that shown on the same line with the lot and block and case number, the

case binder must contain a copy of an approved Form 2577 indicating that prior approval was given. If the plan change is acceptable, the receiving clerk will duplicate two copies of the corrected Form 2800-3 from the Subdivision Processing File. One copy of the Form 2800-3 will be used as a Data Page Form 2800-4. The applicable case number in a change of house type will be that indicated by the lot and block which has been circled on the MCC or Amendment.

- b. The case is next forwarded to the Mortgage Credit Section for firm commitment processing. See Appendix 5 for an example of a typical MCC and Amendment which would accompany an application for firm commitment.
- 4-3. MORTGAGE CREDIT PROCESSING. The estimate of value used by the Mortgage Credit Section will automatically be that indicated for the plan desired plus the lot value adjustment and the alternates, if any, as shown on the MCC Attachment and/or Amendment. The balance of Mortgage Credit Processing follows present procedures.