FHA INFO #19-39
August 1, 2019

TO: All FHA-Approved Mortgagees
All Other Interested Stakeholders in FHA Transactions

NEWS AND UPDATES

FHA Issues Policy Guidance Reducing the Maximum Loan-To-Value and Combined Loan-To-Value Percentages on Cash-Out Refinance Mortgages

Today, the Federal Housing Administration (FHA) published Mortgagee Letter (ML) 2019-11, “Maximum Loan-to-Value and Combined Loan-to-Value Percentages for Cash-out Refinance Mortgages,” which announces the reduction of its current maximum loan-to-value (LTV) and combined loan-to-value (CLTV) percentages for cash-out refinance mortgages from 85 percent to 80 percent. The cash-out refinance guidance in today’s ML is effective for mortgages with case numbers assigned on or after September 1, 2019.

The new guidance puts FHA in alignment with Government Sponsored Enterprises’ policy regarding maximum LTV/CLTV percentages on cash-out refinances.

This policy guidance coincides with other policy changes issued today by Ginnie Mae. Read today’s Press Release from the Department of Housing and Urban Development (HUD) that addresses the changes at both FHA and Ginnie Mae.

Quick Links

- View Mortgagee Letter 2019-11 and all other archived Mortgagee Letters at: https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee

Resources

Contact the FHA Resource Center:

- Visit our online knowledge base to obtain answers to frequently asked questions 24/7 at: www.hud.gov/answers.
- E-mail the FHA Resource Center at: answers@hud.gov. Emails and phone messages will be responded to during normal hours of operation, 8:00 AM to 8:00 PM (Eastern), Monday through Friday on all non-Federal holidays.
- Call 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

FHA INFO Archives: Visit the FHA INFO Archives to access FHA INFO messages issued from 2012 to the present.
To subscribe to the Single Family FHA INFO mailing list you can use this link: FHA INFO or send a request by email to: answers@hud.gov
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