



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, D.C. 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

December 11, 2012

Mortgagee Letter 2012-27

To: **All Approved Lenders**

Subject Revised Recertification Fee Calculation for FHA-Approved Branch Offices

Purpose This Mortgagee Letter informs lenders and mortgagees (lenders) of changes to FHA's systems that will calculate the recertification fee based on the number of FHA-approved branch offices on the first business day of the lender's annual reporting period.

Effective Date This Mortgagee Letter is effective immediately.

Affected Topics Housing Handbook 4060.1 REV-2, Chapter 4, Paragraph 4-3(A)

Background An FHA-approved lender is required to pay annual recertification fees within 90 days of the last day of its fiscal year to maintain approval for the next annual reporting period. The recertification fees include a fee for the home office and each FHA-approved branch office.

Previously, lenders were permitted to terminate branch offices after the start of the annual reporting period but before paying the recertification fees. Due to the manner in which HUD's systems calculate recertification fees, this practice resulted in certain fees to be calculated incorrectly.

Branch Offices Terminations To ensure that lenders are paying the correct recertification fees, FHA has made changes to its internal systems to calculate recertification fees based on the number of FHA-approved branch offices as of the first business day of the lender's annual reporting period.

As of the effective date of this Mortgagee Letter, lenders that wish to terminate branches and thereby not pay a recertification fee for the next annual period must do so on or before the last business day of the annual reporting period. Lenders attempting to terminate branches after the last day of their annual reporting period

will not be permitted to do so until the annual recertification fees have been paid in full.

**Information
Collection
Requirements**

Paperwork reduction information collection requirements contained in this Mortgagee Letter are pending approval by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. §§ 3501-3520) and assigned OMB Control Number 2502-0005. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB Control Number.

Questions

Please inquire about information provided in this Mortgagee Letter by contacting FHA's Resource Center at 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Information Relay Service at (800-877-8339). For additional information on this Mortgagee Letter, please visit www.hud.gov/answers

Signature

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