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U. S. Department of Housing and Urban Development  
Washington, D.C. 20410-8000

April 11, 1997

OFFICE OF THE ASSISTANT SECRETARY  
FOR HOUSING-FEDERAL HOUSING COMMISSIONER

Mortgagee Letter 97-12

TO: ALL APPROVED MORTGAGEES

SUBJECT: Referral Fees Charged for Reverse Mortgages

On March 17, 1997 HUD issued Mortgagee Letter 97-7 notifying lenders that certain fees charged by "estate planning service" firms, as described in the Letter, were not allowable. The Letter also advised mortgagees that reverse mortgages obtained with the assistance of such services were not eligible for FHA insurance. On March 28, 1997, HUD issued Mortgagee Letter 97-9 notifying mortgagees that the provisions of Mortgagee Letter 97-7 would not be implemented or enforced until further notice.

Mortgagee Letter 97-7 is being withdrawn, effective as of the date of this Letter.

Sincerely,

Nicolas P. Retsinas  
Assistant Secretary for Housing-  
Federal Housing Commissioner