

Distribution Date: September 5, 2013

Mortgagee Letter 13-29, Application of Unused Borrower Funds from an Escrow Account on an Existing Mortgage in FHA-Insured Refinance Transactions / Training Opportunities

Mortgagee Letter 13-29, Application of Unused Borrower Funds from an Escrow Account on an Existing Mortgage in FHA-Insured Refinance Transactions

The policies in this Mortgagee Letter include:

- Clarification of policy on the application of unused borrower funds from an escrow account on an existing mortgage that are **not sent directly to the borrower**, but applied to a newly originated FHA-insured refinance mortgage;
- Reminders to mortgagees that calculating the maximum mortgage on a streamline refinance transaction starts with the outstanding principal balance of the existing loan, not the payoff amount; and
- Documentation and submission requirements evidencing borrower authorization for application of unused borrower funds from an escrow account on an existing mortgage

Training Opportunities

Webinar Course Title: FHA Home Equity Conversion Mortgage (HECM)

Date/Time: September 12, 2013 1:30 pm – 3:00 pm Eastern

Location: On-line Webinar – No Fee

Event Pre-registration link: <http://www.hud.gov/emarc/index.cfm?fuseaction=emar.registrationHome>

Description: FREE WEBINAR TRAINING – Online registration required. The Program Support Division is sponsoring a webinar on the FHA Home Equity Conversion Mortgage (HECM) program. We will present information on the purpose of HECM, common misconceptions about the products, and the required steps. HECM offers seniors a way to access the equity in their homes. It offers lenders a program that is an important part of today and tomorrow's mortgage products. This webinar will cover the history of the program and key elements, such as counseling, originating and underwriting which will be reviewed in detail. This webinar is designed for underwriters, loan officers, processors, brokers, agents, any interested parties, and any individuals new to FHA.

Special Instructions: To register on line go to HUD's Event Management and Registration System (EMARC) using the link above, and complete the form. 48 hours prior to the Event you will receive log-in instructions for access to the Webinar. For additional information contact Ms. Matthews at 202-402-3794 or email her at tawanna.d.matthews@hud.gov.

Webinar Course Title: FHA Condominium Approval Process

Date/Time: September 18, 2013 1:30 pm – 3:00 pm Eastern

Location: On-line Webinar – No Fee

Event Pre-registration link: <http://www.hud.gov/emarc/index.cfm?fuseaction=emar.registrationHome>

Description: FREE WEBINAR TRAINING – Online registration required. The Program Support Division is sponsoring a webinar on FHA Condominium Approval Process; we will discuss the process itself, determining project eligibility, the loan level requirements, liabilities/monitoring, and lender requirements. This webinar is designed for underwriters, loan officers, processors, brokers, agents, any interested parties, and any individuals new to FHA.

Special Instructions: To register on line go to HUD's Event Management and Registration System (EMARC) using the link above, and complete the form. 48 hours prior to the Event you will receive log-in instructions for access to the Webinar. For additional information contact Ms. Matthews at 202-402-3794 or email her at tawanna.d.matthews@hud.gov.

Webinar Course Title: How to Manually Underwrite an FHA Mortgage

Date/Time: September 19, 2013 1:30 pm – 3:00 pm Eastern

Location: On-line Webinar – No Fee

Event Pre-registration link: <http://www.hud.gov/emarc/index.cfm?fuseaction=emar.registrationHome>

Description: FREE WEBINAR TRAINING – Online registration required. The Program Support Division is sponsoring a webinar on How to Manually Underwrite an FHA Mortgage. We will discuss the history and background of manual underwriting; review what causes a file to require manual underwriting; as well as the required steps in the manual underwriting process. Participants will learn what triggers both automatic and discretionary downgrades and the key considerations in manually underwriting the FHA loan. Additionally, participants will be able to explain what the documentation requirements and allowable loan parameters are. This webinar is designed for underwriters, loan officers, processors, brokers, agents, any interested parties, and any individuals new to FHA.

Special Instructions: To register on line go to HUD's Event Management and Registration System (EMARC) using the link above, and complete the form. 48 hours prior to the Event you will receive log-in instructions for access to the Webinar. For additional information contact Ms. Matthews at 202-402-3794 or email her at tawanna.d.matthews@hud.gov.

Webinar Course Title: Overview of HUD/FHA Programs

Date/Time: September 25, 2013 1:30 pm – 3:00 pm Eastern

Location: On-line Webinar – No Fee

Event Pre-registration link: <http://www.hud.gov/emarc/index.cfm?fuseaction=emar.registrationHome>

Description: FREE WEBINAR TRAINING – Online registration required. The Program Support Division is sponsoring a webinar on the "Overview of HUD/FHA Programs". We will provide general information on FHA mortgage insurance programs such as the 203(b), 203(h) Home Mortgage Insurance for Disaster Victims, Home Equity Conversion Mortgage (HECM), Energy Efficient Mortgage (EEM) and 203K Rehabilitation Mortgage Insurance Program. Participants will walk away with an understanding of the key features of these programs; why they were created; and how they fit into HUD's mission. This webinar is designed for underwriters, loan officers, processors, brokers, agents, any interested parties, and any individuals new to FHA.

Special Instructions: To register on line go to HUD's Event Management and Registration System (EMARC) using the link above, and complete the form. 48 hours prior to the Event you will receive log-in instructions for access to the Webinar. For additional information contact Ms. Matthews at 202-402-3794 or email her at tawanna.d.matthews@hud.gov.