

FHA INFO #14-10

March 3, 2014

FHA SINGLE FAMILY HOUSING



NEWS

NEWS AND UPDATES

TO: All FHA-Approved Mortgagees

Mortgagee Letters 2013-27 and 2013-33 HUD Systems Modifications

On September 3, 2013, the Federal Housing Administration (FHA) published Mortgagee Letter 2013-27, *Changes to the HECM Program Requirements*, which provides HECM policy guidance on new initiatives that will strengthen the Mutual Mortgage Insurance Fund and preserve the financial soundness of the HECM program. FHA subsequently published Mortgagee Letter 2013-33, *Home Equity Conversion Mortgage Program's Mandatory Obligations, Life Expectancy Set-Aside Calculation, and Purchase Transactions*, on September 25, 2013, to clarify policy and make technical corrections to Mortgagee Letter 2013-27.

On September 30, 2013, HUD modified the FHA Connection (FHAC) system and released Version 2.0 of HUD's HECM Calculation Software to accommodate the initial mortgage insurance premium (MIP) changes and mortgagor Initial Disbursement Limits of HECM proceeds for the First 12-Month Disbursement Period. However, modifications to the Home Equity Reverse Mortgage Information Technology (HERMIT) system were delayed until now. Mortgagees must follow the Mandatory Obligations Mapping Instructions in the attached *HERMIT System Change - Release 3.7* document, to initiate the collection of the Initial Mortgage Insurance Premium, either manually or using the Business-to-Government function, to match data sent from FHAC to specific data fields located on HERMIT's Loan Setup screen.

Additionally, since the release of these mortgagee letters and the implementation of Initial Disbursement Limits for the First 12-Month Disbursement Period, FHA has become aware that FHAC was unable to accommodate cases where the amount of the mortgagor's mandatory obligations were greater than the initial principal limit amount. To address this technical issue, two new data fields have been added to FHAC and it has become necessary for FHA to change how mortgagees enter the amount of mandatory obligations in FHA Connection and the HECM Calculation Software.

Additional Information

Effective for all HECM case numbers assigned on and after March 10, 2014, mortgagees must use the instructions attached to this announcement. The instructions will be available Tuesday, March 4, 2014 at the [HECM for Lenders](#) webpage.

Learn More:

- Call the FHA Resource Center at 1-800-CALLFHA (1-800-225-5342). TDD/TTY 1-877-TDD-2HUD (1-877-833-2483)
- Visit our online resource information at www.hud.gov/answers

Webinar Postponements: Please note that the Post Endorsement Technical Review (PETR) 45-DAY LETTER PROCESS CHANGE webinars scheduled for Wednesday, March 5 and Tuesday, March 11 have been postponed. Information about new webinar dates will be provided when available.

TRAINING AND EVENTS

Course Title: The FHA Appraisal *ON-SITE TRAINING*

Date/Time: Wednesday, March 19, 2014. 8:30 AM to 4:30 PM (Mountain)

Event Location: Grand Junction Area Realtor Association, 2743 Crossroads Blvd., Grand Junction, CO 81506

Registration Link: <http://www.hud.gov/emarc/index.cfm?fuseaction=emar.registerEvent&eventId=1987&update=N>

Description: This FREE one-day class in Grand Junction, CO discusses FHA appraisal requirements. Includes FHA appraisal protocol and updates to FHA appraisal policy. Also, equips attendees with the knowledge to determine property eligibility. This course provides a refresher to seasoned FHA appraisers as well as provides valuable information to appraisers new to the FHA roster. Seven hours of C.E. credit available for the state of Colorado.

Special Instructions: Class size is limited; first-come, first-served. On the day of the class, check-in begins at 8:00 AM. Class begins promptly at 8:30 AM Mountain Time. Please bring an ID for check-in. Registration is required.

RESOURCE INFORMATION

FHA HOMEOWNERSHIP LISTSERV ARCHIVE PAGE:	FHA recently began posting prior messages from this Homeownership Listserv on a Departmental web site. Currently the archives include messages from calendar year 2013 and a portion of calendar year 2012. To view messages sent by fhainfo@hud.gov and previously by jerrold.mayer@hud.gov , please visit the following site: FHA INFO Listserv Archive	
HAVE FHA QUESTIONS?	For FHA technical support, please search the FHA Frequently Asked Questions site or contact the FHA Resource Center by email at: answers@hud.gov or by telephone toll-free between 8:00 AM & 8:00 PM ET at: (800) CALLFHA or (800) 225-5342.	
SUBSCRIBE/UNSUBSCRIBE INSTRUCTIONS:	To subscribe to the FHA Single Family Housing News mailing list you can use this link: SFH News or send a request by email to: answers@hud.gov Bulk subscriptions: To sign up your entire office or a large group, send the list of email addresses (in the format below) to: answers@hud.gov aaa@xyz.com bbb@xyz.com ccc@xyz.com To Unsubscribe follow the unsubscribe instructions on that page.	
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