



TO: All FHA-Approved Mortgagees and Other Interested Stakeholders

NEWS AND UPDATES

FHA Connection Data Entry—HECM with Negative Residual Income

The Federal Housing Administration (FHA) has identified a field edit in FHA Connection that does not allow a Mortgagee to complete the Financial Assessment Update screen on Home Equity Conversion Mortgages (HECM) with negative residual income. To address these limited situations, [temporary procedures](#) will be available on August 31, 2015 to facilitate submission of these HECM transactions.

The temporary procedures also include instructions on submitting a request for waiver of late Mortgage Insurance Premium (MIP) payment penalties on closed loans that could not be submitted prior to releasing the system update and Frequently-Asked Questions on Residual Income and Compensating Factor policies.

HECM Calculator Software Version 2.2 – Data Entry Issues

Subsequent to the release of the HECM Calculator, Version 2.2, FHA was notified that the software incorrectly defaults in some cases to the 2.50 percent mortgage insurance premium rate when a value is entered in the Cash from Borrower and Cash from Lender fields. The [temporary procedures for the HECM calculator version 2.2](#) will be available on August 31, 2015 for HECMs that are in process and have not closed. FHA will implement changes to the HECM Calculator software in the near future to address these limited situations.

Quick Links

- The link to the temporary procedures to the Financial Assessment Update screen is available on the HECM for Lenders web page at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hecm
- The link to the temporary procedures to the HECM Software Calculator Version 2.2 is available on the FHA Connection message board at: <https://entp.hud.gov/clas/html/main.cfm> and on the HECM for Lenders web page at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hecm

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 Information Relay Service at 1-800-877-8339.

RESOURCE INFORMATION

FHA INFO Archives:	Visit the FHA INFO Archives to access FHA INFO messages issued from 2012 to the present.	
Subscribe/Unsubscribe Instructions:	<p>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</p> <p>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</p> <p style="margin-left: 40px;">aaa@xyz.com bbb@xyz.com ccc@xyz.com</p> <p>To Unsubscribe follow the unsubscribe instructions on that page.</p>	
Resource Links:	Archived Webinars Career Opportunities Contracting Opportunities Events & Training FHA Forms FHA Homeownership Centers FHA Mortgage Letters	Foreclosure Assistance Grant Opportunities HUD Homes Property Listings HUD.gov Making Home Affordable Presidentially Declared Disaster Areas Visit our Single Family Home Page



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