TO: All FHA-Approved Mortgagees Originating and Servicing Home Equity Conversion Mortgages

NEWS AND UPDATES

Extension of Effective Date for Home Equity Conversion Mortgage Servicing Fee Set-Aside Growth Rate

Today, the Federal Housing Administration (FHA) is announcing that it plans to issue guidance that would extend the October 3, 2016, effective date for revisions to the Servicing Fee Set-Aside compounding interest rate (growth rate) for the Home Equity Conversion Mortgage (HECM) program.

Mortgagee Letter 2016-10, published on July 13, 2016, established the use of the Note Rate to calculate the growth rate (compounding interest rate) for HECM Servicing Fee Set-Asides, effective for HECM case numbers assigned on or after October 3, 2016. An upcoming Mortgagee Letter will supersede the references to the Servicing Fee Set-Aside growth rate effective date only. This extension will allow both mortgagees and FHA to complete technology updates needed to operationalize this change.

Mortgagees should note that all other provisions contained in Mortgagee Letter 2016-10 will remain in effect.

Quick Links


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 Relay Service at 1-800-877-8339.
### RESOURCE INFORMATION

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- Archived Webinars  
- Career Opportunities  
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- FHA Forms  
- FHA Homeownership Centers  
- FHA Mortgagee Letters  
- Foreclosure Assistance  
- Grant Opportunities  
- HUD Homes Property Listings  
- HUD.gov  
- Making Home Affordable  
- Presidential Declared Disaster Areas  
- Visit our Single Family Home Page

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