The information in this document is current as of the Last Update date noted above. This document does not establish or modify the policy contained in FHA’s Handbooks and Mortgagee Letters in any way.
Agenda

• Call Welcome and Introduction of Speakers
• Single Family Handbook Systems Changes Overview
• Screen Changes and Enhanced Functionality
  — Case Number Assignment
  — Insurance Application
  — Escrow Closeout
  — EEM Calculator
  — Case Query
• Questions and Answers
Overview

- Monday, September 14, 2015 marks the official implementation of FHA’s new *Single Family Housing Policy Handbook* (SF Handbook; HUD Handbook 4000.1), a consolidated, consistent, and comprehensive single source for FHA single family housing policy.

- In conjunction with the Handbook implementation, enhancements have been made to the FHA Connection (FHAC), which also go into effect September 14, 2015.
Support Access to Credit

The new handbook and FHAC enhancements support FHA’s Access to Credit.

• A key part of Blueprint for Access.
• Mitigate defects and improve origination quality.
• Support increased originations of FHA mortgages.
• Make it easier to do business with FHA.
FHAC Screen Changes and Enhanced Functionality

• The bulk of the changes to FHAC are included in the following screens:
  — Case Number Assignment
  — Appraisal Logging
  — Insurance Application

• The remaining changes offer enhanced functionality for:
  — Escrow Closeout
  — EEM Calculator
  — Case Query
CASE NUMBER ASSIGNMENT CHANGES
Case Number Assignment: Secondary Residence

• The Is this a HUD Approved Secondary Residence? field was added to Case Number Assignment screen to specify whether the dwelling is a secondary residence.

• Refer to HUD Handbook 4000.1 for policy requirements for a secondary residence.

• Insurance Application cannot be accessed and the case endorsed until the secondary residence is approved by the HUD Homeownership Center (HOC).
Case Number Assignment: Secondary Residence (cont.)

* General Information *

Field Office: Albany, NY

Is this a Sponsored Originator Case? No

Originator ID: 8888800008

Sponsor/Agent ID:

Loan Officer Name: MILTON
First Name: MILTON
MI: W
Last Name: WILTON
Suffix: Select Suffix

Loan Officer NMLS ID: 987654321

Case Type: Regular DE
Construction Code: Existing Construction

Processing Type: N/A
Financing Type: N/A

Is this a HUD Approved Secondary Residence? No

ADP Code: 703
Living Units: 01

Yes, awaiting HOC approval

New
The lender selects No or Yes, awaiting HOC approval from the drop-down list in the Is this a HUD Approved Secondary Residence? field
Case Number Assignment: Secondary Residence (cont.)

If *Yes, awaiting HOC approval* is selected:

- **Insurance Application** cannot be accessed until the secondary residence is approved by the HOC. The case cannot be endorsed for FHA insurance.

- The lender provides the HOC with the required documentation on the secondary residence.

- A HOC staff member makes a determination based on the criteria established in Handbook 4000.1.

- A authorized HOC staff member enters the approval of a secondary residence.
Case Number Assignment: Secondary Residence (cont.)

Once approved, the Is this a HUD Approved Secondary Residence? field is view only.
Case Number Assignment: Secondary Residence (cont.)

Is this a HUD Approved Secondary Residence? **Approved**

*Approved* is displayed and the field is now view only

Is this a HUD Approved Secondary Residence? **No**

*No* is displayed for case numbers assigned prior to September 14, 2015, or for non-secondary residence cases
Case Number Assignment: Refinance Case

Refinances: (a) Select streamline refinance type field title was changed to All Refinances: (a) Select FHA to FHA Refinance Type in the As Required section of Case Number Assignment.

It is effective for mortgages assigned a case number on or after September 14, 2015.
Case Number Assignment: Refinance Case (cont.)

The All Refinances: (a) Select FHA to FHA field has three options:

- **Not Streamline – N/A**: Is used to indicate that the prior mortgage was FHA-insured but the new mortgage is *not a streamline nor a simple refinance case, or where the refinance is not an FHA-to-FHA refinance.*
  
  **Note:** This is the default for all case types.

- **Streamline (w/o Appraisal)**: No cash-out refinance of an existing FHA-insured mortgage requiring limited borrower credit documentation and underwriting. An appraisal is not required.

- **Simple (w/ Appraisal)**: No cash-out refinance of an existing FHA-insured mortgage. An appraisal is required and the case must be scored through TOTAL Scorecard.
(a) Select FHA to FHA Refinance Type field was formerly labeled (a) Select streamline refinance type and now displays these new options.

For mortgages assigned a case number prior to September 14, 2015, Case Number Assignment Update retains the original field name, All Refinances: (a) Select streamline refinance type, and options (Not Streamlined, w/o Appraisal, and Appraisal Required).
Case Number Assignment: Refinance Case (cont.)

For **(b) Is this a Cash-out Refinance**, **Yes** or **No** can be selected for **Not Streamline – N/A**

For **(b) Is this a Cash-out Refinance: No** must be selected for: **Streamline (w/o Appraisal)** or **Simple (w/Appraisal)**
Case Number Assignment: 203(k) Program

The changes for the 203(k) Rehabilitation Mortgage Insurance program are as follows:

- The **Streamline 203(k)** was renamed **Limited 203(k)**
- A new **203k Type** field was added to the As Required section of **Case Number Assignment** with the following options:
  - N/A (*default*)
  - Limited
  - Standard
Case Number Assignment: 203(k) Program (cont.)

**Case Number Assignment**

<table>
<thead>
<tr>
<th>Field Office:</th>
<th>Albany, NY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is this a Sponsored Originator Case?</td>
<td>No</td>
</tr>
<tr>
<td>Originator ID:</td>
<td>8888800008</td>
</tr>
<tr>
<td>Loan Officer Name:</td>
<td>ADAM</td>
</tr>
<tr>
<td>Loan Officer NMLS ID:</td>
<td>7777777</td>
</tr>
<tr>
<td>Case Type:</td>
<td>Regular DE</td>
</tr>
<tr>
<td>Construction Code:</td>
<td>Substantial Rehabilitation</td>
</tr>
<tr>
<td>Lender Case Ref:</td>
<td></td>
</tr>
<tr>
<td>Sponsor/Agent ID:</td>
<td></td>
</tr>
<tr>
<td>First Name:</td>
<td>ADAM</td>
</tr>
<tr>
<td>MI:</td>
<td></td>
</tr>
<tr>
<td>Last Name:</td>
<td>ADAMSON</td>
</tr>
<tr>
<td>Suffix:</td>
<td>Select Suffix</td>
</tr>
<tr>
<td>Processing Type:</td>
<td>N/A</td>
</tr>
<tr>
<td>Financing Type:</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**As Required**

- All Refinances: (a) Select FHA to FHA Refinance Type: Not Streamline - N/A
- (b) Is this a Cash-out Refinance: Yes

Prior FHA and prior REO cases: Enter case number of previous case:

<table>
<thead>
<tr>
<th>203k Consultant ID:</th>
<th>203KS</th>
</tr>
</thead>
<tbody>
<tr>
<td>203k Type:</td>
<td>N/A</td>
</tr>
<tr>
<td>PUD/Condo Indicator:</td>
<td>N/A</td>
</tr>
<tr>
<td>Limited Standard</td>
<td>New</td>
</tr>
<tr>
<td>Submission:</td>
<td>N/A</td>
</tr>
<tr>
<td>Site Condo:</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Case Number Assignment: 203(k) Program (cont.)

* General Information *

Field Office: Albany, NY

Is this a Sponsored Originator Case? No

Lender Case Ref:

Sponsor/Agent ID:

* As Required *

All Refinances: (a) Select FHA to FHA Refinance Type: No Streamline - N/A
(b) Is this a Cash-out Refinance: Yes No

Prior FHA and prior REO cases: Enter case number of previous case:

203k Consultant ID: 203KS 203k Type: Limited

PUD/Condo Indicator: N/A

PUD/Condo ID:

Submission:

Site Condo: N/A

Construction Code must be Substantial Rehabilitation if 203(k) Type is Limited or Standard
Case Number Assignment: 203(k) Program (cont.)

For a Limited 203(k), **203KS** must be entered in the **203k Consultant ID** field if a 203K consultant is NOT used. If a 203(k) consultant is used, the consultant’s ID is entered.
Case Number Assignment: 203(k) Program (cont.)

For mortgages assigned a case number before September 14, 2015, the 203k Type field displays N/A and is view only.
Case Number Assignment Topics Discussed

- Secondary Residence
- FHA-to-FHA refinance indicator
- Refinance Type – *Simple (w/Appraisal)*
- 203(k) Type – *Limited 203(k)*
FHA Connection Help

Help Links provide access to help information for the displayed page

Case Number Assignment

* General Information

Field Office: Albany, NY
Is this a Sponsored Originator Case? No
Originator ID: 8888800008
Lender Case Reference
Sponsor/Agent ID

FHA Connection

Business Background
General background information on this application including the business model and function of this screen in the overall process.

Steps for Processing
Steps required to complete this portion of the business process.

Field Descriptions
Detailed descriptions of all of the fields and their contents on this screen. Includes data validation rules and format for all data.

Help Index
Alphabetical index of all FHA Connection Single Family Origination help.

Close

Comments or Questions <SF Administration>
APPRAISAL LOGGING CHANGES
Appraisal Logging: Borrower Paid Repairs

• For case numbers assigned on or after September 14, 2015, the **Borrower Paid Appraiser Required Repairs** field was added to **Appraisal Logging**.

• The field collects the amount of borrower paid repairs required by the appraiser to meet HUD’s Minimum Property Requirements (MPR).

• It is only applicable to a *purchase* case.
Appraisal Logging: Borrower Paid Repairs (cont.)

FHA Case Number: 371-7777777

* Property Information *
Address: 123 CHUMS PL, FRIENDSHIP, NY 147390000

Construction Code: Existing Construction

PUD: [ ] Yes [ ] No
Year Built: 1980
Effective Age: 25

Appraisal Received Date: 06/08/15
Date of Contract: 06/13/15
Contract Price: 205000

Borrower Paid Appraiser Required Repairs: 525

* Neighborhood Fields *
Location: Suburban
Predominant Neighborhood Price: 200000

%Land Use: One-Unit: 70
2-4 Unit: Multi-Family: 15
Commercial: 15
New **Borrower Paid Appraiser Required Repairs** field. For a PURCHASE case, the cost of required repairs is entered (up to 99999). The default is zero (0).
Appraisal Logging: Prior Sale Information

Prior Sale Information is currently required for all cases for Appraisal Logging.

### Uniform Residential Appraisal Report

<table>
<thead>
<tr>
<th>Property Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower</td>
<td>Owner of Public Record</td>
<td>County</td>
<td></td>
</tr>
<tr>
<td>Legal Description</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessor’s Parcel #</td>
<td>Tax Year</td>
<td>Taxes $</td>
<td></td>
</tr>
<tr>
<td>Neighborhood Name</td>
<td>Map Reference</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupant</td>
<td>Owner</td>
<td>Tenant</td>
<td>Vacant</td>
</tr>
<tr>
<td>Property Rights Appraised</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assignment Type</td>
<td>Purchase Transaction</td>
<td>Refinance Transaction</td>
<td>Other (describe)</td>
</tr>
<tr>
<td>Lender/Client</td>
<td>Address</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.
Appraisal Logging: Prior Sale Information (cont.)

FHA Case Number: 371-7777777
Address: 123 CHUMS PL, FRIENDSHIP, NY 147390000

* Property Information *

PUD: Yes/No
Year Built: 1980

* Construction Code: Existing Construction *

* Property Title Information *

Estate Will be Held in: Fee Simple
Leasehold Expiration Date: 

* Prior Sale Information *

Was prior sale/transfer of this property within the past 3 years? No Sale/Transfer within 3 yrs
Date of Prior Sale/Transfer:  
Price of Prior Sale/Transfer: 

For refinance transactions only where property was acquired within the last 12 months:

Was prior sale/transfer a result of family gift or inheritance? N/A
Cost of Improvements made subsequent to Prior Sale: 

Help Links
Other Functions
Appraisal Logging: Prior Sale Information (cont.)

Prior Sale/Transfer within Past Three Years

If the prior sale/transfer of the property was within the past three (3) years, information must be entered in the following fields:

• **Date of Prior Sale/Transfer;** and

• **Price of Prior Sale/Transfer:** This field was modified to allow the entry of 1 ($1.00) if the property was acquired through a family gift or inheritance.
### Appraisal Logging: Prior Sale Information (cont.)

**FHA Case Number:** 371-7777777

*Property Information*

**Address:** 123 CHUMS PL, FRIENDSHIP, NY 147390000

**Construction Code:** Existing Construction

**Year Built:** /1980

**PUD:** ☐ Yes ☐ No

*Property Title Information*

**Estate Will be Held in:** Fee Simple

**Leasehold Expiration Date:**

*Prior Sale Information*

**Was prior sale/transfer of this property within the past 3 years?** No Sale/Transfer within 3 yrs

**Date of Prior Sale/Transfer:**

**Price of Prior Sale/Transfer:**

**For refinance transactions only where property was acquired within the last 12 months:**

**Was prior sale/transfer a result of family gift or inheritance?** N/A

**Cost of Improvements made subsequent to Prior Sale:**
Appraisal Logging: Prior Sale Information (cont.)

Refinance Case - Prior Sale/Transfer Date within Last 12 Months

If a refinance case **Date of Prior Sale/Transfer** is within the last 12 months from the new case number assignment date, information is required in the following new fields:

- **Was prior sale/transfer a result of family gift or inheritance?:** Yes or No must be selected. For all other cases, N/A (default) is selected.

- **Cost of Improvements made subsequent to Prior Sale:** If the answer is No to the above question, the documented cost of improvements made subsequent to the last transaction for the subject property is entered. For all other cases, zero (0) is entered.

*Note:* This amount is used in calculating the **Adjusted Value** on a refinance within the last 12 months, but is not used for a 203(k) refinance case.
Appraisal Logging: Prior Sale Information (cont.)

New fields were added:
- Was prior sale/transfer a result of family gift or inheritance?
- Cost of Improvements made subsequent to Prior Sale
The Property Flipping section of Appraisal Logging was modified to include a new Flipping Exemption Reason field. The user selects the exemption reason from the drop-down list in this field.

Lenders are able to use Appraisal Logging to indicate an exemption from the 90-day or 91-180 day property flipping rule (in addition to authorized HUD personnel).

This change applies to purchase cases assigned on or after September 14, 2015.
### Appraisal Logging: Property Flipping (cont.)

#### Prior Sale Information

- **Was prior sale/transfer of this property within the past 3 years?**
  - Prior Sale/Transfer within 3 yrs
- **Date of Prior Sale/Transfer:** 11/22/14
- **Price of Prior Sale/Transfer:** $200,000

#### Refinancing

- **For refinance transactions only where property was acquired within the last 12 months:**
  - **Was prior sale/transfer a result of family gift or inheritance?**
    - No
  - **Cost of Improvements made subsequent to Prior Sale:** $5,000

#### Reconciliation Fields

- **Appraised Value:** $219,900
- **Actual Appraiser (State Certificate or License No.):**
  - **ID:** NY987654321
  - **Name:** BEAM, MOON
- **Effective Date of Appraisal:** 03/25/15

#### Property Flipping

- **Property Subject to 90-Day Flipping Rule:**
- **Flipping Exemption Reason:** N/A

---

**New**
Appraisal Logging: Property Flipping (cont.)

90-Day Property Flipping Rule Exemption

- **Flipping rule is identified**
- **New Flipping Exemption Reason field for the 90-day property flipping rule**
Appraisal Logging: Property Flipping (cont.)

91-180 Day Property Flipping Rule Exemption

91-180 day flipping rule is identified as Greater Than 90-Day Flipping Rule

New Flipping Exemption Reason field for the 91-180 day property flipping rule
Exemption Reasons

- **Properties acquired by an employer or relocation agency:** Sale of property purchased by an employer or relocation agency in connection with the relocation of an employee.

- **Sales by other U.S. Government agencies:** Sale by another agency of the United States Government (other than HUD) of a Real Estate Owned (REO) single family property pursuant to programs operated by the agency.

- **Sales by HUD approved Nonprofits:** Sale of property by a nonprofit organization approved to purchase HUD REO single family properties at a discount with resale restrictions.

- **Sales acquired by the seller through inheritance:** Sale of property that was acquired by the seller through inheritance.

- **Sales by federally-chartered institutions and GSEs:** Sale of property by a state- or federally-chartered financial institution or government-sponsored enterprise (GSE).

- **Sales by local/state government agencies:** Sale of property by a local or state government agency.

- **Sales in Presidentially-Declared Major Disaster Area:** Sale of property in a presidentially-declared major disaster area.
For mortgages assigned a case number prior to September 14, 2015, the **Property Flipping Waived** field is displayed rather than the **Flipping Exemption Reason** field and is only provided for use by HUD personnel.
Appraisal Logging Topics Discussed

- Borrower Paid Repairs
- Prior Sale Information
- Property Flipping Exemptions
INSURANCE APPLICATION CHANGES
### FHA Case Number:
371-777777

#### General Information Section

| Property Address: | 123 CHUMS PL  
| FRIENDSHIP, NY 14799-0000 |
| Originator/Principal ID: | 8888888888 |
| Loan Officer Name: | MILTON |
| First, MI: | WILTON |
| Loan Officer NMLS ID: | 907654321 |
| ADP Code: | 703 |

#### Housing Program
- FHA Standard Mortgage Program (203b)

#### Property Type
- Not a condominium
- Not a principal write-down

#### Living Units:
- 01 Existing Construction

#### Manufactured Housing:
- No

#### Construction Code:
- No

#### HUD Approved Secondary Residence:
- No

#### Construction to Permanent:
- No

#### Building on Own Land:
- No

| Solar/Wind: | Yes |
| Weatherization: | Yes |
| Escrow Data: | Yes |

| Escrow: (203k/EEM/Repair/Solar/Wind/Weatherization) | Yes |

| Escrow Complete Date: | 12/15 |
| Escrow Amount: | 3500 .00 |
Insurance Application: 203(k) Program

For the 203(k) Rehabilitation Mortgage Insurance program, updates are as follows:

- The **203k Type** field was added to **Insurance Application** and the same changes made to **Case Number Assignment** for 203(k) cases were made for **Insurance Application**.

- However, **Insurance Application** does not display the **203k Type** field for mortgages assigned a case number prior to September 14, 2015.
Insurance Application: 203(k) Program (cont.)

FHA Case Number: 371-7777777

Property Address:
123 FRIENDSHIP, NY 14739-0000

Originator/Principal ID: 8888888888
NMLS ID: 987654321
Loan Officer Name:
First, MI: MILTON
Last, Suffix: WILTON
Loan Officer NMLS ID: 987654321

Adp Code: 703

Housing Program:
FHA Standard Mortgage Program (203b)

Property Type:
Not a condominium

Principal Write-down:
Not a principal write-down

Borrower Type:
Occupant

Loan Purpose:
Existing Occupied

203K Type:
N/A
Insurance Application: 203(k) Program (cont.)

New 203k Type field for Insurance Application. Option selected can be changed.
Insurance Application: Secondary Residence

• The view-only **HUD Approved Secondary Residence** field was added to **Insurance Application**. (The field is not displayed for mortgages assigned a case number before September 14, 2015.)

• Access to **Insurance Application** is denied if the status for **HUD Approved Secondary Residence** is Yes, awaiting HOC approval.

• The status must be **No** or **Approved** before **Insurance Application** can be accessed and the case endorsed for FHA insurance.
### FHA’s Office of Single Family Housing Training Module

**Insurance Application: Secondary Residence (cont.)**

**Insurance Application Update**

**WARNING**

Existing conditions may affect processing.  
[See message(s) below]

**FHA Case Number:** 371-7777777

**Property Address:**
123 CHUMS PL  
FRIENDSHIP, NY 14739-0000

**Originator/Principal ID:** 8888800008  
YOU CAN BANK ON US INC  
987654321

**Loan Officer Name:**
First, MI: MILTON,  
Last, Suffix: WILTON  
Loan Officer NMLS ID: 987654321

**ADP Code:** 703  
Program ID: (51)-Solar Dwelling for non-Veteran

<table>
<thead>
<tr>
<th>ADP Code Characteristics</th>
<th>Housing Program</th>
<th>Property Type</th>
<th>Principal Write-down</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization Type</td>
<td>FHA Standard Mortgage Program (203b)</td>
<td>Not a condominium</td>
<td>Not a principal write-down</td>
</tr>
<tr>
<td>Special Program</td>
<td>Buydown</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Borrower Type</td>
<td>Occupant</td>
<td>Living Units: 01</td>
<td></td>
</tr>
<tr>
<td>Loan Purpose</td>
<td>Existing Occupied</td>
<td>Construction Code: Existing Const</td>
<td></td>
</tr>
<tr>
<td>203k Type</td>
<td>N/A</td>
<td>Construction to Permanent: No</td>
<td></td>
</tr>
<tr>
<td>Cash-out</td>
<td>No</td>
<td>Building on Own Land: No</td>
<td></td>
</tr>
<tr>
<td>Refinance Type</td>
<td>Not a Refinance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**New**
Insurance Application: Secondary Residence (cont.)

**HUD Approved Secondary Residence status must be No or Approved to access Insurance Application**

- No

- or -

- Approved
Insurance Application: Refinance Case

Modifications were made to the Refinance Type field of Insurance Application as follows:

- FHA-to-FHA refinance case: This is a view-only field and displays *Simple with Appraisal* rather than *Streamline with Appraisal* for cases assigned a case number on or after September 14, 2015.

- The *Streamline with Appraisal* value is retained for cases assigned a case number prior to September 14, 2015.
Insurance Application: Solar/Wind Energy Systems

Insurance Application changes for a solar or wind energy system are:

- The Solar field was renamed Solar/Wind to accommodate maximum mortgage calculations for HUD’s solar and wind product. This field now specifies whether a solar or wind energy system is being installed on the property with proceeds of the loan.

- The Solar/Wind Amount field was added. An amount must be entered in this field if Yes was selected for the Solar/Wind field. The amount entered must be the lesser of:
  - The cost and installation of the solar or wind energy system;
  - 20% of the property value.
**Insurance Application Update**

<table>
<thead>
<tr>
<th>WARNING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing conditions may affect processing. <em>See message(s) below.</em></td>
</tr>
</tbody>
</table>

FHA Case Number: 371-7777777

*General Information*

<table>
<thead>
<tr>
<th>Property Address:</th>
<th>123 CHUMS PL FRIENDSHIP, NY 14739-0000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Originator/Principal ID:</td>
<td>8888800008 YOU CAN BANK ON US INC</td>
</tr>
<tr>
<td>NMLS ID:</td>
<td>907654321</td>
</tr>
<tr>
<td>Loan Officer Name:</td>
<td>MILTON WILTON</td>
</tr>
<tr>
<td>Loan Officer NMLS ID:</td>
<td>987654321</td>
</tr>
<tr>
<td>ADP Code:</td>
<td>703</td>
</tr>
<tr>
<td>PUD/Condo:</td>
<td>N/A</td>
</tr>
<tr>
<td>County Code:</td>
<td>003</td>
</tr>
<tr>
<td>Program ID:</td>
<td>(51)-Solar Dwelling for non-Veteran</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Borrower Type:</th>
<th>Occupant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Purpose:</td>
<td>Existing Occupied</td>
</tr>
<tr>
<td>203k Type:</td>
<td>N/A</td>
</tr>
<tr>
<td>Cash-out:</td>
<td>No</td>
</tr>
<tr>
<td>Refinance Type:</td>
<td>Not a Refinance</td>
</tr>
<tr>
<td>Credit Qualifying Streamline:</td>
<td>N/A</td>
</tr>
<tr>
<td>$100 REO Down Payment Program:</td>
<td>No</td>
</tr>
</tbody>
</table>

| Solar/Wind: | Yes |
| Weatherization: | Yes |
| Escrow Data: | Yes |

| Living Units: | 01 |
| Construction Code: | Existing Construction |
| HUD Approved Secondary Residence: | No |
| Construction to Permanent: | No |
| Building on Own Land: | No |
| Manufactured Housing: | Yes |
| PUD: | Yes |

| Solar/Wind Amount: | 2500.00 |
| Weatherization Amount: | 1500.00 |
| Escrow Complete Date: | 12/15 |
| Escrow Amount: | 3500.00 |

**New**
Solar field changed to Solar/Wind. No must be selected for the following case types:
• 203(k),
• short refinance,
• cash-out refinance,
• streamline refinance, or
• condominium

New Solar/Wind Amount field. An amount must be entered in this field if Solar/Wind is Yes.
Insurance Application: Weatherization

Weatherization improvements can be financed together with:

- Section 203(b) purchase or no cash-out refinance case
- Section 203(h) Mortgage Insurance for Disaster Victims
- Energy Efficient Mortgage (EEM)
Insurance Application: Weatherization (cont.)

The following new fields were added to Insurance Application for identifying and capturing the cost of weatherization:

• **Weatherization**: Specifies whether energy-related weatherization improvements are being made to the property

• **Weatherization Amount**: Cost of the weatherization.

  — If the amount is between $2,001 and $3,500, a value determination must be made by an approved FHA Roster appraiser or Direct Endorsement (DE) underwriter.

  — If the amount is greater than $3,500, a value determination and separate on-site inspection must be made by an approved FHA Roster appraiser or DE underwriter.
Insurance Application: Weatherization (cont.)

FHA Case Number: 371-7777777

General Information:

- Property Address: 123 CHUHM PL, FRIENDSHIP, NY 14730-0000
- County Code: 003
- PUD/Condo: N/A
- Loan Officer Name:
  - First, MI: MILTON
  - Last, Suffix: WILTON
- Loan Officer NMLS ID: 987654321
- ADP Code: 703
- Program ID: (51)-Solar Dwelling for non-Veteran

Borrower Type:
- Loan Purpose:
- 203k Type:
- Cash-out:
- Refinance Type:
- Credit Qualifying Streamline: $100 REO Down Payment Program:
- Solar/Wind:
- Weatherization:

- Occupant:
  - Existing Occupied: N/A
  - Not a Refinance: N/A
- Living Units:
- Construction Code:
- HUD Approved Secondary Residence:
- Construction to Permanent:
- Building on Own Land:
- Manufactured Housing:
- PUD:
- Solar/Wind Amount: 2500
- Weatherization Amount: 1500

New
New Weatherization field. No must be selected for the following case types:
- 203(k),
- short refinance,
- cash-out refinance, or
- a case that is not Existing Construction

New Weatherization Amount field. An amount must be entered if Weatherization is Yes.
Insurance Application: Funds Held in Escrow

Since funds for the installation of a solar/wind energy system or property weatherization may need to be held in escrow, the Escrow field of Insurance Application screen was renamed to include Solar/Wind and Weatherization.
### Insurance Application: Funds Held in Escrow (cont.)

**Insurance Application Update**

**WARNING**

Existing conditions may affect processing. [See message(s) below]

---

**FHA Case Number:** 371-777777

---

**Property Address:**

123 CHUMS PL  
FRIENDSHIP, NY 14739-0000

**Originator/Principal ID:** 8888888888

**NMLS ID:** 907654321

**Loan Officer Name:** MILTON

**First, Suffix:** WILTON

**Loan Officer NMLS ID:** 907654321

**County Code:** 003

**Country:** US

---

**Borrower Type:**

- [ ] 203k
- [ ] 203k

**Loan Purpose:**

- [ ] 203k
- [ ] 203k

**Cash-out:**

- [ ] Yes
- [ ] No

**Refinance Type:**

- [ ] Yes
- [ ] No

**Credit Qualifying Streamline:**

- [ ] Yes
- [ ] No

**$100 REO Down Payment Program:**

- [ ] Yes
- [ ] No

**Solar/Wind:**

- [ ] Yes
- [ ] No

**Weatherization:**

- [ ] Yes
- [ ] No

**Escrow Data:**

- [ ] Yes
- [ ] No

(203k/EEM/Repair/Solar/Wind/Weatherization)

---

**Living Units:**

- [ ] 01

**Construction Code:**

- [ ] Existing Construction

**HUD Approved Secondary Residence:**

- [ ] No

**Construction to Permanent:**

- [ ] No

**Building on Own Land:**

- [ ] No

**Manufactured Housing:**

- [ ] Yes
- [ ] No

**PUD:**

- [ ] Yes
- [ ] No

**Solar/Wind Amount:**

2500

**Weatherization Amount:**

1500

**Escrow Complete Date:**

12 / 15

**Escrow Amount:**

3500
Insurance Application: General Information
Topics Discussed

- 203(k) Type
- Secondary Residence
- Refinance Type
- Solar/Wind and Solar/Wind Amount
- Weatherization and Weatherization Amount
- Escrow Funds
### Insurance Application: Worksheet Information

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraised Value</td>
<td>219900.00</td>
</tr>
<tr>
<td>Current Housing Expense</td>
<td>1050.00</td>
</tr>
<tr>
<td>Borrower Paid Appraiser Required Repairs</td>
<td>525.00</td>
</tr>
<tr>
<td>Total Requirements</td>
<td>4235.00</td>
</tr>
<tr>
<td>Total Mortgage Payment</td>
<td>1200.00</td>
</tr>
<tr>
<td>UFMIP Paid in Cash</td>
<td></td>
</tr>
<tr>
<td>Borrower Funds to Close</td>
<td></td>
</tr>
<tr>
<td>Required Investment</td>
<td>4235.00</td>
</tr>
<tr>
<td>Borrower Paid Closing Costs</td>
<td>5164.00</td>
</tr>
<tr>
<td>Interest Party Contributions (%)</td>
<td>0.60</td>
</tr>
<tr>
<td>Gift Letters</td>
<td></td>
</tr>
<tr>
<td>Letter 1 Amount</td>
<td>N/A</td>
</tr>
<tr>
<td>Source</td>
<td>N/A</td>
</tr>
<tr>
<td>EIN</td>
<td>N/A</td>
</tr>
<tr>
<td>EIN Name</td>
<td>N/A</td>
</tr>
<tr>
<td>Letter 2 Amount</td>
<td>N/A</td>
</tr>
<tr>
<td>Source</td>
<td>N/A</td>
</tr>
<tr>
<td>EIN</td>
<td>N/A</td>
</tr>
<tr>
<td>EIN Name</td>
<td>N/A</td>
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<tr>
<td>Secondary Financing</td>
<td></td>
</tr>
<tr>
<td>Secondary Financing Exists</td>
<td>Yes</td>
</tr>
<tr>
<td>EEM Improvement Amount</td>
<td>N/A</td>
</tr>
<tr>
<td>Energy Efficient Mortgage Type</td>
<td>N/A</td>
</tr>
<tr>
<td>Back to Work</td>
<td>No</td>
</tr>
<tr>
<td>Underwriters</td>
<td></td>
</tr>
<tr>
<td>Underwriter Approval Date</td>
<td>Date</td>
</tr>
<tr>
<td>Underwriter ID</td>
<td>ZFHA</td>
</tr>
<tr>
<td>Appraisal Underwriter</td>
<td>AB12</td>
</tr>
<tr>
<td>Scorecard Decision</td>
<td>Accepted</td>
</tr>
<tr>
<td>Sales Price</td>
<td>205000.00</td>
</tr>
<tr>
<td>Unpaid Principal Balance</td>
<td>N/A</td>
</tr>
<tr>
<td>Principal Write-off Amount</td>
<td>N/A</td>
</tr>
<tr>
<td>Total Income</td>
<td>4800.00</td>
</tr>
<tr>
<td>Total Fixed Payment</td>
<td>1412.00</td>
</tr>
<tr>
<td>Verified Assets</td>
<td>7456.00</td>
</tr>
<tr>
<td>Months in Reserve</td>
<td></td>
</tr>
<tr>
<td>Interested Party Contributions Amount</td>
<td>1300.00</td>
</tr>
<tr>
<td>Inducements to Purchase</td>
<td>250.00</td>
</tr>
<tr>
<td>TOTAL SCORECARD UWRTR</td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>PAL, BUDDY</td>
</tr>
<tr>
<td>Decision Date</td>
<td>04/17/2015</td>
</tr>
</tbody>
</table>
Insurance Application: Borrower Paid Repairs

- **Insurance Application** was modified to include the new view-only **Borrower Paid Appraiser Required Repairs** field.

- This field is automatically pre-filled with the amount entered through **Appraisal Logging**.

- Any change to this amount must be made through **Appraisal Logging**.

![New view-only field](image)
**Insurance Application: Borrower Paid Repairs (cont.)**

**Insurance Application Update**

**WARNING**

Existing conditions may affect processing. [See message(s) below]

---

**FHA Case Number:** 371-7777777

**Property Address:**
123 CHUMS PL
FRIENDSHIP, NY 14739-0000

**Originator/Principal ID:** 0000000000
**MLO ID:** 907654321
**County Code:** 003

**PUD/Condo:** N/A

---

**Escrow Information**

<table>
<thead>
<tr>
<th>Escrow Type</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>(203k/EEM/Repair/Solar/Wind/Weatherization)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Escrow Complete Date:** 12/15
**Escrow Amount:** 3500.00

---

**General Information**

**Appraised Value:** 219900.00
**Sales Price:** 205000.00
**Unpaid Principal Balance:**
**Principal Write-off Amount:**
**Total Income:** 4800.00
**Total Fixed Payment:** 1412.00
**Verified Assets:** 7456.00

**Current Housing Expense:** 1050.00
**Total Requirements:** 4235.00
**Total Mortgage Payment:** 1200.00
**UFMIP Paid in Cash:**
**Borrower Funds to Close**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Requirements</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Total Mortgage Payment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UFMIP Paid in Cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrower Funds to Close</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Required Investment:** 4235.00
**Borrower Paid Closing Costs:** 5164.00
**Interested Party Contributions (%):** 0.60
**Gift Letters:**
**Inducements to Purchase:** 250.00
**Interested Party Contributions Amount:** 1300.00

---

**New**
Insurance Application: Interested Party Contributions

The seller concession information collected by Insurance Application was replaced.

• **Seller Concession (%)** *(percentage of the Sales Price contributed by an interested party)* field renamed Interested Party Contributions (%)
  
  ― Format now a two-digit numeric field with two decimal places; and
  
  ― Any amount *greater* than six percent (6.00%) must be included in the new Inducements to Purchase field.

• **Seller Concession Amount** *(total dollar amount contributed by the interested parties)* field renamed Interested Party Contributions Amount.
**Insurance Application Update**

<table>
<thead>
<tr>
<th><strong>WARNING</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing conditions may affect processing. [See message(s) below]</td>
</tr>
</tbody>
</table>

**FHA Case Number:** 371-7777777

**General Information**

<table>
<thead>
<tr>
<th>Property Address:</th>
<th>123 CREMS PL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FRIENDSHIP, NY 14739-0000</td>
</tr>
<tr>
<td></td>
<td>County Code: 003</td>
</tr>
<tr>
<td>Originator/Principal ID:</td>
<td>8888800008</td>
</tr>
<tr>
<td></td>
<td>YOU CAN BANK ON US INC</td>
</tr>
<tr>
<td>NMLS ID:</td>
<td>987654321</td>
</tr>
</tbody>
</table>

**Escrow Complete Date:** 12/15

| Escrow Amount: | 3500.00 |

**Worksheet Information**

| Appraised Value: | 219900.00 |
| Current Housing Expense: | 1050.00 |
| Borrower Paid Appraiser Required Repairs: | 525.00 |
| Total Requirements: | 4235.00 |
| Total Mortgage Payments | 1200.00 |
| UFMIP Paid in Cash: | |
| Borrower Funds to Close: | |
| Required Investment: | 4235.00 |
| Borrower Paid Closing Costs: | 5164.00 |
| **Interested Party Contributions (%):** | 0.60 |
| **Interested Party Contributions Amount:** | 1300.00 |
| **Gift Letters:** | |
| **Inducements to Purchase:** | 250.00 |

If there are interested party contributions, amounts must be entered in BOTH fields. If there are no contributions, these fields are left blank.
Insurance Application: Inducements to Purchase

• The Inducements to Purchase field was added to Insurance Application and is only applicable to a purchase case.

• Users enter the amount of certain expenses paid by an interested party on behalf of the borrower that results in a dollar-for-dollar reduction to the Sales Price when computing the Adjusted Value of the property before applying the appropriate loan-to-value (LTV) percentage.

This new field is left blank if there are no Inducements to Purchase. Note: If the Interested Party Contribution Amount is greater than 6% of the Sales Price, it must be included in this field.
Insurance Application: Inducements to Purchase (cont.)

New

Inducements to Purchase: 250.00
Insurance Application: Worksheet Information Topics Discussed

✓ Borrower Paid Repairs
✓ Interested Party Contributions % and Interested Party Contributions Amount
✓ Inducements to Purchase
Insurance Application: Mortgage Information Section

![Insurance Application Diagram]
Insurance Application: Qualified Mortgage Points and Fees

- The **QM Points and Fees** field was added to collect the amount of costs charged by the lender during mortgage application, processing, and closing as calculated by the Qualified Mortgage (QM) rule.

- This field is *optional* at this time.

New field for **Insurance Application**. This information is optional at this time. Note: The total points and fees payable are not to exceed the Consumer Financial Protection Bureau's limit on points and fees for a QM.
Insurance Application: QM Points and Fees (cont.)

FHA Case Number: 371-7777777

* General Information *

Property Address:
123 CHUMS PL
FRIENDSHIP, NY 14739-0000

County Code: 003

Originator/Principal ID: 8888800008
NMLS ID: 987654321

Loan Type:

Veterans Preference: Yes No

* Mortgage Information *

Mortgage Amount: 195000
(without financed UFMIP)
Mortgage Amount: 198413
(with financed UFMIP)
Monthly Payment: 955.34
Term of Loan: 360
Amortization: N/A
ARM Type: N/A
ARM Margin: 
Qualifying Rate: 
Adjusted Value: 206775.00
Principal Reduction: Yes No

QM Points and Fees: 1000.00

New

Interest Rate (%): 4.070
Maturity Date: 07/2045
Warranty:
First Payment: 08/2015
ARM Index: N/A
Loan-to-value (%): 93.09
CLTV Total (%): 95.39
CLTV Subject to Limit (%): 0.00
Principal Reduction Amount:
Insurance Application: Adjusted Value

A new field for **Adjusted Value** was added to **Insurance Application** for cases assigned on or after September 14, 2015.

New view-only field for Insurance Application. *(Not displayed for cases with a Case Number Assignment date before September 14, 2015.)*
Insurance Application: Adjusted Value (cont.)

Adjusted Value According to Case Characteristics

- **Purchase case:**
  Adjusted Value is the lesser of the (a) Sales Price less Inducements to Purchase plus Borrower Paid Appraiser Required Repairs or (b) Appraised Value.

- **Streamline refinance case:**
  Appraised Value of the prior FHA-insured mortgage.

- **Refinance case; property acquired by the borrower within 12 months of Case Number Assignment date:**
  Adjusted Value is the lesser of the (a) original Sales Price plus any documented improvements made subsequent to the purchase or (b) Appraised Value.

- **Refinance case; property acquired by borrower earlier than or equal to 12 months prior to the Case Number Assignment date:**
  Adjusted Value is the Appraised Value.

- **Refinance case; property acquired by the borrower within 12 months of Case Number Assignment date by inheritance or through a family member's gift:**
  Same calculation used for properties purchased 12 months or earlier than the Case Number Assignment date.

- **HUD REO case:**
  If no appraisal, the Adjusted Value is the Sales Price. Otherwise, Adjusted Value is the lesser of the Sales Price or Appraised Value.

*Note: Weatherization Amount may be added to both Sales Price and Appraised Value when calculating the Adjusted Value.*
Insurance Application: Adjusted Value (cont.)

**Adjusted Value:** 206775.00

New
Insurance Application: Combined Loan to Value (CLTV)

• **CLTV (%)** field was renamed **CLTV Total (%)**. This is the CLTV ratio if the borrower has more than one loan (i.e., secondary financing). It is now a system-calculated value computed as follows: base mortgage amount (less UFMIP) plus the sum of all secondary financing amounts divided by the **Adjusted Value**.

• **CLTV Subject to Limit (%)** field was added. This is a system-calculated value as follows: base mortgage amount (less UFMIP) plus the sum of all secondary financing amounts provided by private organizations/eligible individuals or lender divided by the **Adjusted Value**.
Insurance Application: CLTV (cont.)

FHA Case Number: 371-7777777

* General Information *

Property Address:
123 CHUMS PL
FRIENDSHIP, NY 14739-0000

Originator/Principal ID: 88888888888
YOU CAN BANK ON US INC

NMLS ID: 987654321

County Code: 003

* Mortgage Information *

Mortgage Amount: 195000.00
(without financed UFMIP)
Mortgage Amount: 198413.00
(with financed UFMIP)
Monthly Payment: 955.34
Term of Loan: 360
Amortization: N/A
ARM Type: N/A
ARM Margin: 
Qualifying Rate: 
Adjusted Value: 206775.00
Principal Reduction: Yes

QM Points and Fees: 1000.00
Interest Rate (%): 4.070
Maturity Date: 07 / 2045
Warranty: 
First Payment: 08 / 2015
ARM Index: N/A
Loan-to-value (%): 93.09
CLTV Total (%): 95.39
CLTV Subject to Limit (%): 0.00
Principal Reduction Amount: 

New
Renamed, view-only field for cases assigned on or after September 14, 2015. For cases assigned before September 14, 2015, the ratio must be entered by the user.

CLTV Total (%): 95.39

CLTV Subject to Limit (%): 0.00

New field. (Not displayed for cases assigned before September 14, 2015.)
Insurance Application: Mortgage Information

Topics Discussed

✓ QM Points and Fees
✓ Adjusted Value
✓ CLTV Total (%) and CLTV Subject to Limit (%)
ESCROW CLOSEOUT, EEM CALCULATOR, and CASE QUERY CHANGES
Escrow Closeout Changes

**Escrow Closeout** was modified to include options for escrow closeout certifications for:

- **Solar/Wind:** Certifies that installation of a solar or wind energy system was completed.

- **Weatherization:** Certifies that energy-related weatherization improvements were completed.

These new options are now included in the **Closeout Types** field on the **Escrow Closeout Certification** page.
Escrow Closeout (cont.)

New options

- Solar/Wind
- Weatherization

Select all energy efficient improvements that were made (Applicable to all 203(k)s, EEMs, loans with repair escrows, solar/wind, and weatherization):

- Windows
- Doors
- Roof
- HVAC
- Programmable Thermostats
- Lighting
- Ceiling Fan(s)
- Whole House Fan
- Insulation
- Caulking/Sealing
- Water Heater
- Appliances

Renewable Energy Improvements:

- Solar: PV/Hot Water
- Geothermal
- Wind Energy Systems
- Boilers, Furnaces or Stoves
  Fueled by Wood/Pellets
- N/A

Escrow Amount: 3,500.00
Expected Completion Date: 12/15
Amount Applied to Principal: 0.00

By selecting Yes, the mortgagee certifies that a representative has personally inspected the:

- Construction
- Alterations
- Repairs
EEM Calculator Changes

The **Projected Underwriter Approval Date** and **Sale Price** fields of EEM Calculator were replaced with the **Adjusted Value** field.

- The **Adjusted Value** of the property is required to be entered if:
  - Case *not* processed through **Insurance Application**, *OR*
  - Case number assignment date is prior to September 14, 2015.

- If the case was processed through **Insurance Application**, the **Adjusted Value** field is left blank and the **Adjusted Value** from **Insurance Application** is automatically included in the calculation.
EEM Calculator (cont.)

EEM Calculator Results

SUCCESS
EEM CALCULATOR SUCCESSFULLY COMPLETED

FHA Case Number: 371-7777777
Adjusted Value: $150,000.00
Calculated EEM Amount: $7,360.00
Case Number Assignment Date: 07/23/15
Median Sale Price: $128,000.00

New Request
Case Query Change

The **Case Type** field was modified and now displays **DIRECT ENDORSEMENT SIMPLE REFI**, rather than **DIRECT ENDORSEMENT STRMLND REFI**, for a no cash-out refinance of an existing FHA-insured mortgage requiring an appraisal (i.e., Simple with Appraisal) for cases assigned a case number on or after September 14, 2015.
Escrow Closeout, EEM Calculator, and Case Query Topics Discussed

- **Escrow Closeout**: includes options for Solar/Wind and Weatherization
- **EEM Calculator**: includes *Adjusted Value*
- **Case Query**: *Direct Endorsement Simple Refi*, replaces *Direct Endorsement Streamline Refi*
QUESTIONS AND ANSWERS
THANK YOU!