

NEWSFLASH

Important information: Please read immediately



Date: 3/30/10

Topics in this newsflash include:

- RESPA clarifications
- FHA Upfront MIP
- FHA REO appraisals
- FHA Down Payment reminder
- FHA 90 day flip rule

RESPA Clarifications

As stated in our announcement 1/6/2010, McCue Mortgage Company will be issuing the 2010 GFE and Truth in Lending. As a reminder, McCue Mortgage will **not accept applications** on any loan where the Mortgage Broker has already issued a GFE and/or TIL in their own name. In addition, all applications must be received by McCue Mortgage within two days* of the application date in order to comply with HUD's requirements of issuing the GFE and TIL.

**Saturday's are included, therefore if you take an application on Thursday, it must be received in our office on Friday by 4PM.*

Application date is defined as follows:

1. If the application is taken "face to face", the APPLICATION DATE is the date the borrower signs the application. The GFE & TIL must be within 3 days of this date. No monies may be collected until the borrower receives the GFE & TIL.
2. If the application is taken "by phone, the APPLICATION DATE is the date the Loan officer signs & dates the application. The Loan Officer must date the application the day of the telephone interview next to their signature. A computer generated date will NOT be considered the APPLICATION DATE as this date is generally the date the document is printed. The GFE & TIL must be delivered to the borrower within 3 days of this date. No monies may be collected until the borrower receives the GFE & TIL.

A CHFA registration constitutes an application under RESPA guidelines therefore the CHFA reservation date AND the 1003 application MUST be the same.

Please refer to our website for detailed information or contact your account executive if you have questions.

FHA Upfront MIP

Effective for all FHA case numbers assigned **on or after Monday April 5, 2010**, the upfront MIP is increasing from 1.75% to 2.25% for all purchase and refinance transactions.

FHA REO appraisals

Effective immediately, when a buyer is using FHA financing to purchase a HUD REO property, the appraisal that was utilized in determining the list price will remain effective for purposes of obtaining the FHA insured mortgage. The appraisal will be valid for the standard 120 days.

FHA Down Payment Reminder

As a reminder, FHA requires a minimum 3.5% down payment (effective Jan 1, 2009). Closing costs may not be used to meet part of the 3.5 (including POC's). Please note that seller contributions may be reduced to ensure the earnest deposit PLUS cash brought to closing (bottom line of the HUD1) meet 3.5%.

FHA 90 Day Flip Waiver

Although FHA has implemented a waiver on the 90 day rule until Jan31, 2011, we are not accepting contracts signed within 90 days of a property transfer but rather following the standard FHA 90 day rule.

Thank you for your business.

Please contact your account executive for questions.