

# NEWSFLASH

Important information: Please read immediately



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Date: 9/21/09

## Topics in this newsflash include:

- **FHA Minimum Loan Amount**
- **Conventional Conforming Additional Appraisal requirements**
- **Conventional conforming Condo reminder**

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## FHA Minimum Loan Amount

Due to investor changes, the minimum loan amount for market rate FHA loans (non CHFA) is \$50,000 effective with all new locks, relocks, or extension requests on or after Monday September 21, 2009. The ratesheet and loan program description will be updated.

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## Conventional Conforming Appraisal requirements:

As our investors continue to assess market conditions, the following additional appraisal requirements are effective immediately:

- A second full appraisal is required on REO properties. \*\* (see below for definition)
- A second full appraisal is required on Family Sales.
- A second full appraisal is required on Investment properties when the lower of Sales Price or Appraised Value is less than \$100,000
- A full appraisal is required when documenting equity in a departing residence if the departing residence is a condo or 2-4 unit property. AVM's will no longer be accepted.

All second appraisals must conform to the Home Valuation Code of Conduct. The conforming loan program descriptions (Fixed and Libor ARM) will be updated.

*\*\*REO stands for **Real Estate Owned** – meaning the property was foreclosed and now the bank or investor that foreclosed is selling the property.*

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## Conventional Conforming Condo reminder:

As a reminder, conforming condos require interior hazard insurance (H06 policy) and a paid receipt prior to closing in addition to the Certificate of Insurance from the master policy

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