



FHA CHANGES

Breaking News

FHA has temporarily lifted the 90 Day flipping rule. This means our FHA buyers can now buy homes from investors that have recently purchased a home from bank auction, or have improved the home and are flipping it.

Increase in Upfront Premiums for FHA Mortgage Insurance

FHA loans with a case number assigned on or after April 5, 2010, will have a 2.25% upfront mortgage insurance premium. This is a .5% increase. Case numbers are generally assigned when there is a contract with a property address and a closing date AND the borrower has committed to go forward with the loan. Annual premiums (remitted on a monthly basis) will not change at this time.

Please go to <http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/files/10-02ml.pdf>. for more information.

Other changes include:

New borrowers will now be required to have a minimum FICO score of 580 to qualify for FHA loans with a 3.5% down payment program. Borrowers with less than a 580 FICO score will be required to put at least 10% down.

NOTE: Most lenders will not make loans to borrowers with FICO scores lower than 620. Guild will do FHA loans down to a 600 FICO score.

Seller concessions will be reduced from 6% to 3%. HUD has not yet released an effective date for this change. (most likely this summer)

Please call or email with questions.

Sincerely,

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