



**APPROVED FUNDING**  
LICENSED MORTGAGE BANKERS

[www.approvedfunding.com](http://www.approvedfunding.com)

---

## FHA Announces New Mortgage Requirements and Changes



In response to the passing of HR 3221, this update announces FHA's new Mortgage Insurance Premiums for the period of October 1st, 2008 through September 30th, 2009. FHA's Risk Based Premiums that went into effect on July 14th, 2008 will be on hold till October 1st, 2009.

Here are the 6 things you need to know about these changes...

### 1. Upfront Mortgage Insurance Premiums:

- Purchase Money Mortgages and Full-Credit Qualifying Refinances = 1.75 %
- Streamline Refinances (all types) = 1.50 %
- FHASecure (Delinquent Mortgagors) = 3.00 %

### 2. Monthly Mortgage Insurance Premiums:

- For 30 year loans with LTV > 95 %, monthly will be .55%
- For 30 year loans with LTV < 95%, monthly will be .50%
- For 15 year loans with LTV > 90%, monthly will be .25%
- For 15 year loans with LTV < 90%, monthly will not be required
- For FHA Secure loans with LTV > 95%, monthly will be .55%
- For FHA Secure loans with LTV < 95%, monthly will be .50%

3. Mortgages with FHA case number assignments made on July 14, 2008, through and including September 30, 2008, shall maintain the risk-based premium structure for the life of the mortgage.

4. FHA will issue another notice that will formally advise when the moratorium is concluded and the premium pricing structure that should be followed once the moratorium ends.

### 5. Credit Scores

- Borrowers with credit scores below 500 will require an LTV of 90% or less
- Borrowers with 3 scores, the middle score is used
- Borrowers with 2 scores, the lowest score is used

6. These premium changes apply to the following FHA loan programs: 203b (standard 1-4 unit property), 203k (rehab loan), and 234c (condominiums) and do not apply to FHA reverse mortgages

---



## FHA Announcement – September 9, 2008

In response to the passing of HR 3221, this update announces FHA's new down payment and LTV requirements.

### Here are the 5 things you need to know about these changes...

1. One single downpayment requirement of 3.5% for all purchases
2. Closing costs/prepays are in addition to the 3.5% down (6% seller contribution allowed)
3. New maximum LTVs (based on lower of sales price or value) are:
  - 96.50% for all purchases
  - 98.28% for all regular rate and term refinances (cash out remains at 95%)
  - 98.52% for all streamline refinances
4. These changes are effective October 1st, 2008
5. Purchases already in the pipeline will have until December 31st to be assigned a case number. After January 1st, 2009, all purchases will require the new down payment requirements

*We are still awaiting more changes in response to HR 3221 so watch for future updates.*

