

HUD, VA, FHA, and Government Lender Updates

By: Rob Chrisman | Mbn, Apr 6 2015, 10:19 AM

Late last week someone asked me about **HUD's Equal Access Rule**. A month or so ago Bankers Advisory released a notice regarding HUD's update to equal access rules for marital status, gender identity and sexual orientation. HUD published the notice on February 2nd in order to raise awareness of the HUD Equal Access Rule requirements for actual or perceived discrimination. The final rule was published on February 3rd, 2012 and changes to HUD's general rule include expanding the definition of "family" to include "a single person, who may be an elderly person, displaced person, disabled person, near-elderly person or any other single person; or a group of persons residing together, including family with or without children, elderly family, near-elderly family, disabled family, displaced family and remaining members of a tenant family." The term "gender identity" includes actual or perceived gender-related characteristics and "sexual orientation" means homosexuality, heterosexuality or bisexuality. The rule also revises HUD's general program requirements by adding that ant recipient of HUD funds may not "inquire about the sexual orientation or gender identity of an applicant for, or occupant of, HUD assisted or HUD-insured housing for purposes of determining eligibility. It is permissible to inquire into sex for temporary, emergency shelter with shared sleeping areas or bathrooms, or to determine the number of bedrooms to which a household may be entitled." The Office of Single Family Housing has included the updates into its Single Family Housing Policy Handbook, 4.0001, effective June 15, 2015.

The February edition of the [HUD Housing & FHA Monthly Review](#) has been published, which provides an overview of January mortgagee letters and recent activity. Highlights from the report include [mortgagee letter 15-01](#) implements the 50 bps reduction in FHA's MIP rates for most FHA Title II mortgages and allows for cancellation of existing case numbers in order to utilize the MIP rates found within the mortgagee letter. [Mortgagee letter 15-02](#) provides policy guidance applicable to "ineligible" non-borrowing HECM spouses that will not be eligible for the due and payable deferral period, previously announced in mortgagee letter 2014-07. The requirements in ML 15-02 may be implemented for all HECM case numbers assigned on or after January 5, 2015. In addition, on January 29th, the Multifamily Housing published a memo providing guidance for [Multifamily Property Assessed Clean Energy \(PACE\)](#) in California. The memo discusses prospective benefits of PACE and clarifies information regarding the processes by which HUD insured and assisted properties in California can receive assistance for energy and water efficiency improvements within the program.

The U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau announced [new residential construction statistics](#) for February 2015. Privately owned housing units authorized by building permits in February were at a seasonally adjusted annual rate of 1,092,000. This is 3 percent above the revised January rate of 1,060,000. Privately owned housing starts in February were at a seasonally adjusted annual rate of 897,000. This is 17 percent below the revised January estimate of 1,081,000. Privately owned housing completions in February were at a seasonally adjusted annual rate of 850,000. This is 13.8 percent below the revised January estimate of 986,000.

([Read More: Multi-family Spending only Bright Spot in Construction News](#))

And as a reminder the Federal Housing Administration (FHA) published additional sections of its Single Family Housing Policy Handbook (SF Handbook; HUD Handbook 4000.1): including Doing Business with FHA-Lenders and Mortgagees; Doing Business with FHA-Other Participants in FHA Transactions - Appraisers, Quality Control, Oversight, and Compliance-Lenders and Mortgagees; Quality Control, Oversight, and Compliance-Other Participants in FHA Transactions - Appraisers, and Origination through Post-Closing/Endorsement for Title II Forward Mortgages (Origination through Endorsement) Appraiser, 203(k) and 203(k) Consultant Sections. The March 18, 2015 [SF Handbook](#) is now available on HUD's Client Information Policy Systems (HUDCLIPS) web page.

Staying in this vein, the FHA announced a **web-based platform for mortgagee submissions** of FHA appraisal data and reports: [Mortgagee Letter 2015-08](#), Electronic Appraisal Delivery (EAD) Portal for FHA-Insured Single Family Mortgages. This Mortgagee Letter announces FHA's implementation of its EAD portal, and provides information about the portal and its mandatory use with FHA case numbers assigned on and after June 27, 2016. The EAD portal will allow transmissions to FHA of only those appraisals that comply with FHA's [Single Family Housing Appraisal Report and Data Delivery Guide](#). When submitting an appraisal, the portal provides confirmation of a successful submission, or information regarding required corrections that may need to be made before resubmitting and transmitting to FHA. When an individual appraisal is submitted-whether through the EAD portal or through the existing process until the mandatory effective date-the appraisal submitted becomes the appraisal of record. FHA does plan to incorporate the EAD portal into the [Single Family Housing Policy Handbook](#) (SF Handbook; HUD Handbook 4000.1).

FHA Announced Electronic Appraisal Delivery (EAD) Portal Implementation in its [Mortgagee Letter 2015-08](#). This information outlines details of the portal and its mandatory use with FHA case numbers assigned **on and after June 27, 2016**. "The EAD portal will make it easier to do

business with FHA by offering process and technology efficiencies that streamline appraisal data transmission, promote quality up-front appraisal data, and reduce post-endorsement appraisal data corrections."

SunWest announced it will be removing the Automated Valuation Model (AVM) requirement on VA IRRRLs with qualifying credit score equal to or greater than 580 for locks / commitments made on or after September 16, 2014. For loans with the qualifying credit score less than 580, a conventional appraisal (must be ordered through Sun West's vendor order website) or an AVM, with specific requirements is required to determine the LTV ratio.

A while back we learned that new and Reduced Documentation Requirements for **M&T to M&T FHA Streamline Refinances** and enhancements to its FHA Streamline Refinance Program for existing M&T serviced loans sold back to M&T are in affect starting last month. Some key product highlights include: No Credit Report Required - a Risk Based Pricing Disclosure from the Lender's standard credit reporting vendor is required. Verification of Employment Not Required. Verification of Income Not Required. IRS Form 4506 Required at Closing Only. Another option to be added is an FHA Streamline Refinance with an Appraisal for M&T to M&T transactions only.

A VA "Joint" loan is defined as a VA loan having any co-borrower other than the veteran-borrower's married spouse. This could include (but is not limited to) a veteran and girlfriend (not wife), a veteran and another relative (i.e. two brothers), etc. The M&T Bank VA product page(s) has been updated. Regarding flood insurance for FHA transactions, flood IS required to cover any Non-Residential Detached Structure that has any part located in a Special Flood Hazard Area (SFHA). This is required for FHA transactions even though it is not a FEMA requirement and is required whether or not the detached structure was given value by the appraiser.

Ditech has a Non-Credit Qualifying FHA Streamline Option. To view some of the guidelines and rules associated with this option, [click here](#).

Envoy Mortgage Correspondent Lending Division has announced the removal of their overlay on conforming VA cash-out refinance transactions. Effective immediately, the maximum LTV has been increased from 90% to 100%. This change does not include VA High Balance products.

Effective immediately, **Plaza** will allow Credit Scores as low as 580 for [FHA Streamline Refinances](#) of loans currently serviced by Plaza. The minimum Credit Score of 620 is still required for FHA Streamline Refinances of loans not currently serviced by Plaza. PULSE will be updated on March 10 to allow for the lower Credit Score on Plaza-serviced loans. For assistance in registering FHA Streamlines of Plaza-serviced loans with scores < 620 prior to March 10, contact [PULSE Support](#) for assistance. Plaza's standard loan level price adjustments for FHA loans with Credit Scores < 620 will apply.

Today analysts continue to cogitate on Friday's employment number. The weaker-than-expected March jobs data adds to uncertainty about the timing of fed funds interest rate lift-off. Some analysts have already concluded that the weaker-than-expected March jobs data eliminates the possibility of June lift-off but that fails to account for normal monthly fluctuations in jobs data and ignores the fact that expectations were simply too high. The March jobs report is the last one that the Fed will see before the April 28/29 FOMC meeting but they will see three more weekly Initial Jobless Claims reports. Many expect those reports to be strong so don't eliminate the possibility of a June more in short term rates quite yet. The probability of September lift-off has increased has increased. Janet Yellen has repeatedly said that the timing of lift-off is data dependent - as if we need to be reminded.

In a week like this where this is no substantive scheduled economic news here in the U.S., the markets tend to focus on a) overseas events, and b) minor news which ordinarily are of little consequence. We do have a smattering of news, including the Fed's release of its Minutes from the March 17-18 FOMC meeting, Initial Jobless Claims Thursday. But that's about it. Rate sheets are roughly unchanged: we closed the 10-yr at 1.84% and this morning we're at 1.84% with agency MBS prices about the same.

Could we have a quick moment of silence for the man who created the Pet Rock? Many in the industry [remember the fad in 1975](#) - probably the greatest marketing coup ever - and he passed away in late March. Speaking of marketing, it has become impossible to even suggest that Wells Fargo is merely a "community" or "regional" bank when it just [bumped UBS out of the top 10 list](#) for global bank fee income earners.

Jobs and Announcements

Other companies are growing as well. **Homeward Residential Wholesale** is looking for experienced Government Underwriters and Account Executives throughout the United States. "We also have opportunities for Closers, Funders, Loan Processors and Account Managers/CSR's. Homeward offers wholesale, emerging banker and non-delegated programs to meet the diverse needs of our clients. [We are a full-service mortgage lender](#) providing our customers with fast, accurate and innovative solutions, while maintaining a culture in which our customers and associates are treated with courtesy, dignity and respect. Become a part of Homeward's family, and be a part of our 2015 growth story." For more information or to apply, please contact Recruiting Supervisor [Dena Linzay](#).

On the retail side, [SecurityNational Mortgage Company](#), licensed in 48 states, has tripled in size over the last 18 months. "We are expanding our branches in all areas and currently looking to fill sales & operational positions in the Midwest markets. We have an immediate need for Branch Managers, Loan Officers, Processors, and Underwriters in Illinois, Indiana, Kentucky, Missouri, Ohio, and Tennessee. Join a reputable, publicly traded company, dedicated to fully supporting your sales efforts through state of the art technology, marketing & CRM, local operations team, aggressive compensation plan, medical/dental/vision and matching 401K." Security National's 22 year history in the Mortgage sector demonstrates established power and security within this ever evolving industry. Furthermore, great leadership and an active role in RESBOG for the MBA have landed their President, Lynn Beckstead, as one of the Top 100 Mortgage Executives in the United States. For a confidential interview, please contact The Director of Business Development, [Shaun Barnes](#). Co. NMLS #3116.

Out west [Pinnacle Capital Mortgage](#) is actively expanding its SW Regional presence and is currently looking for branch managers, production managers and loan originators in Utah and Colorado. Pinnacle Capital Mortgage has been a Top 10 Lender as reported by the Scotsman Guide for the last 2 years, and is a direct FNMA, FHLMC & GNMA seller/servicer. With innovative technology, PCM branded CRM and mobile apps we keep your relationship with your clients paramount. The Southwest Regional Center is located in Phoenix, Arizona, with offsite underwriting throughout Utah and Colorado - we understand the importance of having a local support staff. You will also have regional and corporate marketing support to help you hit the ground running!" Interested candidates should contact [Brad Allen](#) (480.239.3670), Southwest Regional Vice President for more information.

A quick congrats to [Mike Ondrovich](#) who recently joined Texas' **Highlands Residential Mortgage** as SVP of Capital Markets. Mike brings over 18 years of mortgage and securities markets experience to Highlands, including LaSalle Street Securities, Waterfield Mortgage / Union Federal Bank, 1st Source Bank, Horizon Bank N. A., and First Community Mortgage.

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