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FHA Seller Downpayment Assistance Programs Eliminated

Reunion Mortgage is eliminating the FHA seller Downpayment Assistance Programs (DAPs) in response to recent legislation affecting FHA.

All FHA loans using a seller-provided DAP must fund before September 1, 2008.

The Omnibus Housing Bill that was signed on July 30, 2008, finalizes HUD's position on the use of seller-funded DAPs, and categorizes them as an ineligible source of funds for FHA-insured financing.

This legislation only affects seller-funded DAPs. HUD and Reunion will continue to accept Community Second Mortgage and Grant programs, as well as family member loans.

If you have any questions, please contact your Account Executive or local branch.