

## FHA Fixed and ARM Guideline Changes

Reunion Mortgage has updated our [FHA Fixed and ARM Product Guidelines](#) (with all changes highlighted in **red type**) in response to industry changes:

### Appraisal Section

- Removed the requirement for second appraisals on FHA loans > \$417,000
- Updated the Case Assignment date from 1/1/10 to 2/15/10 for appraisals to be requested through Reunion's AMC
- Appraisals reflecting a lender name other than Reunion Mortgage (e.g., transferred appraisals or reports ordered by the Correspondent prior to 2/15/10) may require an acceptable Desk Review. Note: The fee for FHA Desk and Field Reviews cannot be passed on to the borrower per FHA.

### Contributions by an Interested Party

NOTE: FHA has indicated that the maximum contribution limit will be reduced from 6% to 3% later this year.

### Mortgage Insurance Premium

The Upfront Mortgage Insurance Premium is increasing to 2.25% on all loans effective with Case Assignments 4/5/10 and beyond. The Monthly Mortgage Insurance Premium will remain unchanged.

### Property

- Recently Listed for Sale
  - Rate/Term Refi: The listing agreement must be cancelled at least one day prior to the loan application
  - Cash-out Refi: The listing agreement must be cancelled six months prior to the application date, or the loan is subject to a max 70% LTV (the listing agreement must be cancelled at least one day prior to the loan application)
- Condominium
  - NOTE: Reunion Mortgage does not participate in DELRAP (Direct Endorsement Lender Review and Approval Process)

### Subordinate Financing

On a Rate/Term Refinance (including Streamlines), the maximum CLTV is increased from 95% to 100%

### Streamline Refinance

- Regardless of FHA Case Assignment date, the current FHA Streamline guidelines apply to all Streamline Refinance Transactions
- Credit Qualifying Streamlines are no longer offered by Reunion, and must be processed as Regular Rate/Term Refinance transactions
- Streamline without appraisal must meet FHA Statutory Limit for the County

Please contact your Account Executive or branch with questions.