From: Housing.Counseling

Sent: Friday, January 22, 2010 2:28 PM

To: 'SF-HOUSING-COUNSELING-L@hudlist.hud.gov'

Subject: FHA POLICY CHANGE

Housing Counseling Agencies:

FHA Commissioner David Stevens announced on 01/20/10 a set of policy changes to strengthen the FHA's capital reserves, while enabling the agency to continue to fulfill its mission to provide access to homeownership for underserved communities. The changes announced are the latest in a series of changes Stevens has enacted in order to better position the FHA to manage its risk while continuing to support the nation's housing market recovery.

The FHA will propose to take the following steps: increase the mortgage insurance premium (MIP); update the combination of FICO scores and down payments for new borrowers; reduce seller concessions to three percent, from six percent; and implement a series of significant measures aimed at increasing lender enforcement...

To read this press release in its entirety please visit: http://portal.hud.gov/portal/page/portal/HUD/press/press_releases_media_a dvisories/2010/HUDNo.10-016

This message has gone out to the email addresses provided by all active Housing Counseling Agencies in HUD's Housing Counseling Program. All Parent Agencies should make sure their sub-agencies have received this information. Please direct questions or comments to your HUD point of contact or email housing.counseling@hud.gov

Sincerely,

Director, Program Support Division Office of Single Family Housing Department of Housing and Urban Development