

FHA INFO #12-33

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New FHA Mortgagee Letter and Servicer Performance Scorecard for Delinquent Servicing (SPS)

New FHA Mortgagee Letter:

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
ASSISTANT SECRETARY FOR HOUSING - FEDERAL HOUSING COMMISSIONER  
WASHINGTON, DC 20410-8000  
Date: March 13, 2012  
To: All Approved Mortgagees

**Mortgagee Letter 2012 - 05**

Subject: FHA Refinance of Borrowers in Negative Equity Positions: Program Enhancements

Background: On August 6, 2010, the Department of Housing and Urban Development (HUD) published Mortgagee Letter (ML) 2010-23 "FHA Refinance of Borrowers in Negative Equity Positions" which provided enhancements to the Federal Housing Administration (FHA) refinance program that allows responsible homeowners with negative equity an opportunity to refinance their homes. These enhancements were designed to maintain homeownership by providing borrowers with conventional loans, who owe more on their mortgage than the value of their home, opportunities to refinance into an affordable FHA loan. This opportunity allows only non-FHA insured loans to qualify for an FHA refinance loan provided that the lender or investor writes off the unpaid principal balance of the original first lien mortgage by at least 10 percent...

To read this mortgagee letter in its entirety please visit:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/letters/mortgagee](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee)

AND

**Servicer Performance Scorecard for Delinquent Servicing (SPS):**

HUD's National Servicing Center (NSC) released the scores for Servicer Performance Scorecard (SPS) for Quarter 1, Fiscal Year 2012. Scores were released via hard copy letter to all eligible servicers. It is important for all servicers who have delinquent FHA loans to be familiar with their scores and the scoring methodology. A document called "Servicer Performance Scorecard (SPS) Narrative" that explains the SPS process and how the scores are calculated can be found on NSC's website [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/nsc/nschome](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/nsc/nschome).

Who Will Be Scored: In order to be scored, a mortgage servicer must meet the following criteria: (1) Approved to service single family loans, and (2) Service a delinquent portfolio of 5 loans or more as reflected in Neighborhood Watch.

Notification of Scores: Hard copy letters are sent to the contact identified by your company that we have on file. If no contact was ever provided, the letter was sent to "President". If someone in your company does not receive this letter shortly, make sure that your company should receive a letter. A list is posted on our site [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/nsc/nschome](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/nsc/nschome) that you can access by clicking on the link "SPS Eligible Servicers FY12". If your company is not on this list, it does not presently meet the criteria or scoring eligibility.

If your company is on the list and you need a copy of this letter, please email: [sfdatarequests@hud.gov](mailto:sfdatarequests@hud.gov) with the subject line of "SPS Soft Copy Letter Request". Please make sure to include your institution's 5-digit HUD Lender ID with the request.

Industry Meeting: An industry meeting with a presentation of SPS will be scheduled for late in the month of March. When this has been scheduled, you will be notified through this listserv with participation information.