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FHA Notice; Training and Other Events

FHA Notice:

FHA has made a clarification to the Frequently Asked Questions (FAQ) on Mortgagee Letter 2011-11. The updated FAQ is at <http://portal.hud.gov/hudportal/documents/huddoc?id=FAQsML201111.pdf>. The clarification is on page 4, in the last line of question 12.

“12. Net Tangible Benefit: What is the definition of “net tangible benefit”, in the context of a streamline refinance?

“Net tangible benefit” is either:

- A 5 percent reduction to the P&I of the mortgage payment plus the annual MIP, or
- Refinancing from an Adjustable Rate Mortgage (ARM) to a fixed rate mortgage in accordance with the conditions in the “net tangible benefit” matrix.

Reducing the term of a mortgage is acceptable on a streamline refinance if the new mortgage meets the net tangible benefit test above.”

For technical support on this, or any other FHA issue, please email: [answers@hud.gov](mailto:answers@hud.gov) phone (800) CALL FHA, or visit <http://portal.hud.gov/hudportal/HUD?src=/FHAFQA> To read FHA Mortgagee Letter 2011-11 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)