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### **Change in Recommendation Upon Insuring on Cases Involving Gifts**

The agency has received reports from lenders involving transactions with gift funds that received a TOTAL Scorecard "ACCEPT" recommendation and upon applying for insurance, the TOTAL Scorecard recommendation becomes a "REFER" at which point, the following insuring error message is returned: "TOTAL CASE RESCORED AS REFER; MANUAL UNDERWRITING REQUIRED; ZFHA INVALID".

In all reported cases the rescoring events were the result of user input errors. The original submission(s) to the TOTAL Scorecard were missing either the gift source and gift amount, or did not reflect the entire amount of the gift being received by the borrower. When the dollar amount of the gift or the gift source in FHA Connection at the time of insuring does not match the data provided to the TOTAL Scorecard, the transaction is automatically rescored.

In order to receive an accurate TOTAL Scorecard recommendation, the full amount of the gift received by the borrower and the source of the gift must be accurately entered and identified in the Automated Underwriting System (AUS) used to submit to the TOTAL Scorecard. Please work with your AUS and Loan Origination System (LOS) providers to ensure all asset and downpayment information, including gifts, are correctly entered within their system to properly transmit the Gift Amount and Gift Source information to the TOTAL Scorecard. All gift funds must be identified; regardless of whether or not they have been deposited into the borrowers account.

The FHA TOTAL Mortgage Scorecard User Guide may be accessed using the following link:

[http://portal.hud.gov/hudportal/documents/huddoc?id=total\\_userguide.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=total_userguide.pdf)

For technical support on these, or any other FHA issues, please email: [answers@hud.gov](mailto:answers@hud.gov), call (800) CALL FHA, or visit <http://portal.hud.gov/hudportal/HUD?src=/FHFAQ>

You can view all FHA Mortgagee Letters on-line at:

[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)