

FHA INFO #16-62

September 26, 2016



TO: All FHA-Approved Mortgagees Originating and Servicing Home Equity Conversion Mortgages

NEWS AND UPDATES

Extension of Effective Date for Home Equity Conversion Mortgage Servicing Fee Set-Aside Growth Rate

Today, the Federal Housing Administration (FHA) is announcing that it plans to issue guidance that would extend the October 3, 2016, effective date for revisions to the Servicing Fee Set-Aside compounding interest rate (growth rate) for the Home Equity Conversion Mortgage (HECM) program.

Mortgagee Letter 2016-10, published on July 13, 2016, established the use of the Note Rate to calculate the growth rate (compounding interest rate) for HECM Servicing Fee Set-Asides, effective for HECM case numbers assigned on or after October 3, 2016. An upcoming Mortgagee Letter will supersede the references to the Servicing Fee Set-Aside growth rate ***effective date*** only. This extension will allow both mortgagees and FHA to complete technology updates needed to operationalize this change.

Mortgagees should note that all other provisions contained in Mortgagee Letter 2016-10 will remain in effect.

Quick Links

- Access the July 13 Mortgagee Letter 2016-10 at: <http://portal.hud.gov/hudportal/documents/huddoc?id=16-10ml.pdf>

Resources

Contact the FHA Resource Center:

- Visit our online knowledge base to obtain answers to frequently asked questions 24/7 at: www.hud.gov/answers.
- E-mail the FHA Resource Center at: answers@hud.gov. Emails and phone messages will be responded to during normal hours of operation, 8:00 AM to 8:00 PM (Eastern), Monday through Friday on all non-Federal holidays.
- Call 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

RESOURCE INFORMATION

FHA INFO Archives: Visit the [FHA INFO Archives](#) to access FHA INFO messages issued from 2012 to the present.

Subscribe/Unsubscribe Instructions: To subscribe to the Single Family FHA INFO mailing list you can use this link: [FHA INFO](#) or send a request by email to: answers@hud.gov
Bulk subscriptions: To sign up your entire office or a large group, send the list of email addresses (in the format below) to: answers@hud.gov
aaa@xyz.com
bbb@xyz.com
ccc@xyz.com
[To Unsubscribe](#) follow the unsubscribe instructions on that page.

Resource Links:

Archived Webinars	Foreclosure Assistance
Career Opportunities	Grant Opportunities
Contracting Opportunities	HUD Homes Property Listings
Events & Training	HUD.gov
FHA Forms	Making Home Affordable
FHA Homeownership Centers	Presidentially Declared Disaster Areas
FHA Mortgagee Letters	Visit our Single Family Home Page



We hope that you will want to continue receiving information from HUD. We safeguard our lists and do not rent, sell, or permit the use of our lists by others, at any time, for any reason.

Connect with HUD on [Social Media](#) and follow Secretary Castro on [Twitter](#) and [Facebook](#).