

Endorsing a Single Family FHA Case

The Direct Endorsement (DE) process allows FHA-approved lenders to submit a mortgage insurance application for a single family home mortgage for a low-to-moderate income homebuyer. **Insurance Application** on the FHA Connection (**Figure 1**) is used to apply for mortgage insurance for a DE case and to add or update the application information as needed prior to endorsement.

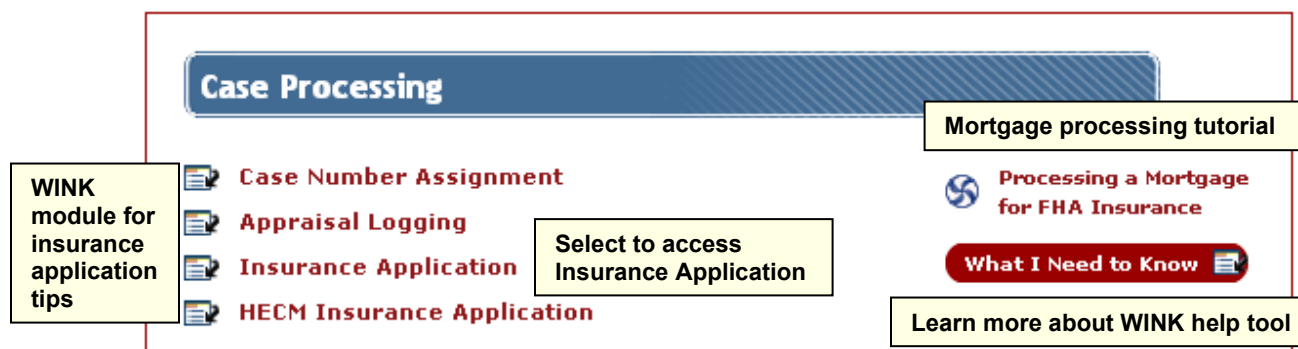


Figure 1: Insurance Application available on the Case Processing menu

This **FHA Connection Guide** module provides the following sections to assist you in obtaining FHA mortgage insurance for a forward (traditional) mortgage:


- **Online User Aids**
- **Basic Prerequisites and Requirements**
- **Sources of Information** that can be used for completing the Insurance Application form.
- **Insurance Application Processing** includes:
 - **Key Steps in Using Insurance Application**
 - **General Information, Worksheet Information, Borrower Information, Mortgage Information, Flood Insurance Information, Borrower Request for Appraisal Review Information, and Endorsement Information** illustrations and explanations of the online **Insurance Application** form.
- **Lender Insurance (LI) Endorsement Processing** provides a high-level overview of the LI lender's role and their additional use of **Insurance Application**. LI lenders, lending institutions that apply and qualify for HUD authorization for the Lender Insurance (LI) Forward program, endorse their own forward (traditional) FHA mortgage loans for insurance without a pre-endorsement review by HUD.
- **Insurance Application Results (MIC or NOR)** provides an overview of the endorsement process and briefly discusses insurance denial and resolution steps.

Note: For a DE Home Equity Conversion Mortgage (HECM) (reverse) case, use the **HECM Insurance Application** function and refer to the **FHA Connection Guide** module on that topic.

Online User Aids

The following online user aids are available for processing the **Insurance Application** form.

- For training and assistance on using the FHA Connection, refer to the **FHA Connection Guide** modules: **Using the FHA Connection** and **FHA Connection Training Resources**.
- Specific information pertaining to **Insurance Application** is available from **What I Need to Know (WINK)**, accessed via the  icon located directly adjacent to the **Insurance Application** link on the **Case Processing** menu (**Figure 1**).

- Online help for completing **Insurance Application** is available by clicking **Help Links**  in the upper right of each **Insurance Application** page (**Figure 2**).
- **Processing a Mortgage**, located on the Single Family Processing and Case Processing menus provides the workflow for obtaining FHA mortgage insurance (**Figure 1**).

Basic Prerequisites and Requirements

The originating lender (or its sponsor/agent) must do the following for endorsing a mortgage for FHA insurance:

1. Establish a case in HUD's origination system. For information on establishing a case, see the **FHA Connection Guide** modules: **Case Processing Overview** and **Case Number Assignment**.
2. Complete all **basic case requirements**, including providing complete and accurate borrower information, valid street address, underwriter information, and mortgage credit analysis.
3. Provide case-specific "**as required**" information related to an appraisal, upfront mortgage insurance premium (UFMIP), secondary financing, compliance inspection, firm commitment, and property flipping issues. See **Insurance Application WINK (Preparing to Use Insurance Application, Requirements)**.
4. Complete the **Insurance Application** and submit the case binder (closing package) to the HUD Homeownership Center (HOC) within 60 days after the closing date of the mortgage. For LI lenders, the case binder is only submitted upon request.

Note: See the **FHA Single Family Housing Policy Handbook** (Handbook 4000.1) for more information concerning the case binder, including a complete listing of required case binder documentation.

5. Once **Insurance Application** is successfully processed, the case is either endorsed by HUD for FHA mortgage insurance and issued a Mortgage Insurance Certificate (MIC) or is not endorsed and is issued a Notice of Return (NOR) (see **Insurance Application Results (MIC or NOR)** herein). LI lenders endorse their own forward mortgage loans for insurance using **Insurance Application** (see **Lender Insurance Endorsement Processing** herein).

Sources of Information

The following HUD and Fannie Mae/Freddie Mac forms, which are included in the case binder (closing package), can be used as the basic sources of information for completing **Insurance Application**:

- **FHA Loan Underwriting and Transmittal Summary** - form HUD-92900-LT
- **Uniform Residential Loan Application (URLA), Uniform Residential Loan Application (URLA) - Lender Loan Information, and Uniform Residential Loan Application - Additional Borrower** (*three separate URLA forms*) - Fannie Mae Form 1003, Freddie Mac Form 65
- **HUD Addendum to Uniform Residential Loan Application** - form HUD-92900-A

Mapping of the fields in these source forms to the fields on the **Insurance Application** form are provided in this **FHA Connection Guide** module.

Additional sources of information may include, but are not limited to, the following documents:

- Mortgage (or other security instrument)
- Note
- Settlement Statement – (Settlement Statement/Closing Disclosure)
- Gift letter
- Secondary financing instruments
- *Mortgagee's Assurance of Completion* - form HUD-92300
- *Draw Request, Section 203(k)* - form HUD 9746-A
- Ten-year warranty certificate, or similar document (generally needed for a new construction case with a high loan-to-value ratio)

- *Application for Homeownership Assistance (Section 235 of the National Housing Act) - form HUD-93100s*
- Section 235 Payoff Statement or Assistance Payment Contract/Notice of: (1) Termination, (2) Suspension, or (3) Reinstatement - form HUD-93114 (issued by the servicing lender of the prior Section 235 mortgage)
- Home Energy Rating Systems (HERS) report
- Home Energy Score Report
- *203k Maximum Mortgage Worksheet - form HUD-92700*
- 203k Work Write Up or Work Plan and Cost Estimate
- Documentation on the cost of work, including labor and materials, for solar/wind energy system installation or weatherization
- *Builder's Certification of Plans, Specifications, & Site - form HUD-92541*
- Flood Insurance Policy and related documentation (*if applicable*)

Insurance Application Processing

We begin with the basic steps for processing **Insurance Application** on the FHA Connection, followed by detailed illustrations on completing each section of the form.

Key Steps in Using Insurance Application on the FHA Connection

Follow these basic steps to process an application for insurance for a forward mortgage.

1. Access **Insurance Application** after signing on to the FHA Connection by following this menu path: **Single Family FHA > Single Family Origination > Case Processing > Insurance Application**.
Note: The FHA Connection menu path appears as a “breadcrumb trail” in the red banner at the top of each function page.
2. On the **Insurance Application** page, enter the case number in the **FHA Case Number** field (**Figure 2**).

Figure 2: Insurance Application page

3. Successful entry of the case number opens **Insurance Application Update**, where case information is entered or updated (**Figure 3**).
4. **Insurance Application Update** is divided into these sections: **General Information, Worksheet Information, Borrower Information, Mortgage Information, Flood Insurance Information**, and

Endorsement Information. Tips on entering the required information in these sections are summarized and illustrated in the next parts of this **FHA Connection Guide** module.

Note: The information entered on **Insurance Application Update** is validated against numerous official systems. Entry of incorrect or invalid data or failure to supply information required for the loan type may result in a denial of insurance and the return of the case binder to the lender.

5. Successful processing of **Insurance Application Update** and subsequent endorsement results in issuance of the MIC. Use **Mortgage Insurance Certificate** on the **Single Family Origination Case Processing** menu to view and print the MIC.

or

If the case is not endorsed, a NOR is issued. Use **Notice of Return** on the **Single Family Origination Case Processing** menu to view and print the NOR.

For more information, see **Insurance Application Results (MIC or NOR)** at the end of this **FHA Connection Guide** module.

General Information Section

The **General Information** section of **Insurance Application Update** appears in **Figure 3**, followed by processing tips. Key portions of the forms used as sources of information for completing this section are illustrated in **Figures 3a-3d**.

The screenshot shows the 'Insurance Application Update' page in the FHA Connection system. The 'General Information' section is highlighted, containing the following data:

- FHA Case Number:** 011-8765432
- Property Address:** 2345 PINE TREE LN SE, DECATUR, AL 35601-0000
- County Code:** 103
- Originator/Principal ID:** 1234501234
- MNLS ID:** 543210
- Loan Officer Name:** MIKE MICHAELS
- Loan Officer MNLS ID:** 456789
- ADP Code:** 703
- Program ID:** (00)-Default

Callouts in the image point to specific features:


- View-only information:** Points to the 'ADP Code' field.
- ADP Code Selector:** Points to the 'ADP Code Characteristics' section, which includes fields for Amortization Type (Fixed), Special Program (No Special Program), Housing Program (FHA Standard Mortgage Program (203b)), Buydown (No), and Property Type (Not a condominium).
- Lookup:** Points to the 'Program ID' dropdown menu.
- Select Other Functions to use another function for the same case (e.g., Case Number Assignment):** Points to the 'Other Functions' button.

Other visible fields include Borrower Type (Occupant), Loan Purpose (Existing Occupied), 203k Type (N/A), Cash-out (No), Refinance Type (Not a Refinance), Credit Qualifying Streamline (\$100 REO Down), Payment Program (Yes/No), Solar/Wind (Yes/No), Weatherization (Yes/No), Escrow Data (Escrow: Yes/No), Living Units (01), Construction Code (Existing Construction), HUD Approved Secondary Residence (No), Construction to Permanent (No), Building on Own Land (No), Manufactured Housing (Yes/No), PUD (Yes/No), Solar/Wind Amount (.00), Weatherization Amount (.00), HUD REO Repair Amount (.00), Escrow Complete Date (/), and Escrow Amount (.00).

Figure 3: General Information section of Insurance Application Update

General Information Section – Processing Tips

Tips for completing the **General Information** section of **Insurance Application Update** (Figure 3) include:

- For a 203(k) Rehabilitation Mortgage case for which **203k Calculator** was completed, these fields are pre-filled and view only: **Solar/Wind**, **Solar/Wind Amount**, and **Escrow Amount**.
- Refer to the **What I Need to Know (WINK)** icon  next to the **Update an Existing Case** function on the **Case Number Assignment** menu for:
 - background on updating *view-only information* entered during case number assignment
 - information on getting a Home Equity Conversion Mortgage (HECM) case changed to a forward mortgage case and vice versa.

Note: Once the case is initially established, the **ADP Code** cannot be changed to or from a HECM code.

General Information Section - Sources of Information

Figures 3a-3c show the forms used as the sources of information for the **General Information** section of **Insurance Application Update**. The callouts pointing to the fields on the source forms are the field names found in the **General Information** section of **Insurance Application Update**.

Refer to these additional documents and **Insurance Application** online **Help** if you need to determine:

- **\$100 REO Down Payment Program**
- **ADP Code**
- **Credit Qualifying Streamline**
- **HUD REO Repair Amount**
- **Escrow, Escrow Amount, and Escrow Complete Date** (see **Mortgagee’s Assurance of Completion** (form HUD-92300))
- **Loan Officer Name, Loan Officer NMLS ID**
- **Program ID**
- **Property Type**

203(k) Type appears on the **Mortgage Information** section of the *FHA Loan Underwriting and Transmittal Summary - form HUD-92900-LT* (Figure 3a).

Mortgage Information		
Amortization Type (Check only 1)		
<input type="checkbox"/> Fixed-Rate-Monthly Payments		
<input type="checkbox"/> ARM 1 <input type="checkbox"/> 3 <input type="checkbox"/> 5 <input type="checkbox"/> 7 <input type="checkbox"/> or 10 <input type="checkbox"/> yr		
ARM Index _____		
ARM Margin _____		
<input type="checkbox"/> Int. Rate Buydown		
Loan Information		
Mortgage w/o UFMIP	\$ _____	
Total UFMIP	\$ _____	
Mortgage w/ UFMIP	\$ _____	
Interest Rate	_____ %	
Qualifying Rate (1 Yr. ARM)	_____ %	
Loan Term (in months)	_____	
Loan Purpose (Check all that apply)		
<input type="checkbox"/> Purchase		
<input type="checkbox"/> No Cash-Out Refinance		
<input type="checkbox"/> Cash-Out Refinance		
<input type="checkbox"/> Simple Refinance		
<input type="checkbox"/> Streamline Refinance		
<input type="checkbox"/> Construction-to-Permanent		
<input type="checkbox"/> Energy Efficient Mortgage		
<input type="checkbox"/> Building On Own Land		
<input type="checkbox"/> HUD REO		
<input checked="" type="checkbox"/> 203(k)	203(k) Type	
<input type="checkbox"/> Standard		
<input type="checkbox"/> Limited		
<input type="checkbox"/> Other		
Secondary Financing		
Source/EIN _____		
<input type="checkbox"/> Gov't	<input type="checkbox"/> NP	<input type="checkbox"/> Family
<input type="checkbox"/> Other _____		
Amount of Secondary Financing \$ _____		
Gifts Seller Funded DAP <input type="checkbox"/> Y/N		
1.) Source/EIN _____		
<input type="checkbox"/> Gov't	<input type="checkbox"/> NP	<input type="checkbox"/> Family
<input type="checkbox"/> Other _____		
Amount of Gift \$ _____		
2.) Source/EIN _____		
<input type="checkbox"/> Gov't	<input type="checkbox"/> NP	<input type="checkbox"/> Family
<input type="checkbox"/> Other _____		
Amount of Gift \$ _____		

Figure 3a: 203(k) Type indicated

Borrower Type, Living Units, Secondary Residence, and Manufactured Housing appear on the *Uniform Residential Loan Application (URLA) - Fannie Mae Form 1003, Freddie Mac Form 65 (Figure 3b)*.

4a. Loan and Property Information

Loan Amount \$ _____ Loan Purpose Purchase Refinance Other (specify) _____

Property Address Street _____ Unit # _____

City _____ State _____ ZIP _____ County _____

Number of Units _____ Borrower Type _____

Occupancy Primary Residence Second Home Investment Property FHA Secondary Residence

1. **Mixed-Use Property.** If you will occupy the property, will you set aside space within the property to operate your own business? (e.g., daycare facility, medical office, beauty/barber shop) NO YES

2. **Manufactured Home.** Is the property a manufactured home? (e.g., a factory built dwelling built on a permanent chassis) NO YES

Figure 3b: Living Units, Manufactured Housing, and Secondary Residence field inputs

The indicators for **PUD, Solar/Wind, and Weatherization** appear on the *Uniform Residential Loan Application (URLA) – Lender Loan Information - Fannie Mae Form 1003, Freddie Mac Form 65 (Figure 3c)*.

L1. Property and Loan Information

Community Property State

At least one borrower lives in a community property state.

The property is in a community property state.

Transaction Detail

Conversion of Contract for Deed or Land Contract

Renovation

Construction-Conversion/Construction-to-Permanent

Single-Closing Two-Closing

Construction/Improvement Costs \$ _____

Lot Acquired Date ____/____/____ (mm/dd/yyyy)

Original Cost of Lot \$ _____

Refinance Type

No Cash Out

Limited Cash Out

Cash Out

Refinance Program

Full Documentation

Interest Rate Reduction

Streamlined without Appraisal

Energy Improvement

Mortgage loan will finance energy-related improvements.

Property is currently subject to a lien that could take priority over the first mortgage lien, such as a clean energy lien paid for through property taxes (e.g., the Property Assessed Clean Energy program).

Project Type Condominium Cooperative Planned Unit Development (PUD) Property is not located in a project

Figure 3c: Energy-related improvement and PUD indicators

If energy-related improvements (**Solar/Wind** and/or **Weatherization**) are indicated on the *Uniform Residential Loan Application (URLA) – Lender Loan Information - Fannie Mae Form 1003, Freddie Mac Form 65*, look for documentation on the cost of the work and improvements to complete the **Solar/Wind Amount** and **Weatherization Amount** fields. See also the Appraisal Report for information as well.

Building on Own Land, Cash-out, Construction Code, Construction to Permanent, Loan Purpose, and Manufactured Housing field information appears on the top portion of the *FHA Loan Underwriting and Transmittal Summary (form HUD-92900-LT)* (Figure 3c).

FHA Loan Underwriting and Transmittal Summary U.S Department of Housing and Urban Development OBM Approval No. 2502 - 0059 (expires 12/31/2023)

See back of page for Public Burden and Sensitive Information statements Office of Housing Federal Housing Commissioner

Borrower and Property Information FHA Case No. _____ SOA _____

Borrower Name _____ SSN _____
 Co-Borrower Name _____ SSN _____
 Property Address _____

Property Type (Check only 1) **Additional Property Information** **Property Rights** **Construction Code**

1 unit 2 units 3 - 4 units Sales Price \$ _____ **Sales Price** Fee Simple Existing
 Condominium **Manufactured Housing** Leasehold Proposed
 Manufactured Housing New (less than 1 year)

Mortgage Information **Loan Purpose** **Cash-out refi** **Construction to Permanent** **Building on Own Land**

Amortization Type (Check only 1) **Loan Purpose** (Check all that apply) **Secondary Financing**

Fixed-Rate-Monthly Payments Purchase Source/EIN _____
 ARM 1 3 5 7 or 10 yr No Cash-Out Refinance Gov't NP Family
 ARM Index _____ Cash-Out Refinance Other _____
 ARM Margin _____ Simple Refinance Other _____
 Int. Rate Buydown Streamline Refinance Other _____

Loan Information Construction-to-Permanent Seller Funded DAP Y/N

Mortgage w/o UFMIP \$ _____ Energy Efficient Mortgage 1.) Source/EIN _____
 Total UFMIP \$ _____ Building On Own Land Gov't NP Family
 Mortgage w/ UFMIP \$ _____ HUD REO Other _____
 Interest Rate _____% 203(k) Amount of Gift \$ _____
 Qualifying Rate _____% Standard Limited 2.) Source/EIN _____
 (1 Yr. ARM) _____ Other Amount of Gift \$ _____
 Loan Term (in months) _____ Other

Figure 3c: Other field inputs for the General Information section

Note: For 203(k) Rehabilitation Mortgage cases, information for the **Construction Code** field can be found under **Loan Purpose**.

Worksheet Information Section

The **Worksheet Information** section of **Insurance Application Update** appears in **Figure 4**, followed by processing tips. Key portions of the forms used as sources of information for completing this section are illustrated in **Figures 4a- 4e**.

After-Improved Value field is displayed instead of Appraised Value for a 203(k) case for which 203k Calculator was completed

*** Worksheet Information ***

<p>Appraised Value: 165000.00</p> <p>Current Housing Expense: 1150.00</p> <p>Borrower Paid Appraiser Required Repairs: .00</p> <p>Total Requirements: <input checked="" type="radio"/> + <input type="radio"/> - 33575.00</p> <p>Total Mortgage Payment: 1546.00</p> <p>UFMIP Paid in Cash: []</p> <p>Borrower Funds to Close []</p> <p>Required Investment: <input checked="" type="radio"/> + <input type="radio"/> - 25891.00</p> <p>Borrower Paid Closing Costs: 6032.00</p> <p>Interested Party Contributions (%): []</p> <p>Gift Letters</p> <p>Letter 1 Amount: []</p> <p>Source: N/A</p> <p>EIN: []</p> <p>Letter 2 Amount: []</p> <p>Source: N/A</p> <p>EIN: []</p> <p>Secondary Financing</p> <p>Secondary Financing Exists: <input type="radio"/> Yes <input checked="" type="radio"/> No</p> <p>Energy Efficient Mortgage: <input type="radio"/> Yes <input checked="" type="radio"/> No</p> <p>EEM Improvement Amount: []</p> <p>Back to Work: N/A</p> <p>Underwriters</p> <p>Underwriter Approval Date: [] / [] / []</p> <p>Underwriter ID: ZFHA</p> <p>Appraisal Underwriter: []</p> <p>Scorecard Decision: Accepted</p>	<p>Sales Price: 165000.00</p> <p>Acquisition Cost: []</p> <p>Unpaid Principal Balance: []</p> <p>Principal Write-off Amount: []</p> <p>Total Income: 4566.00</p> <p>Amount of Total Income from ADU: []</p> <p>Limited or No History of ADU Income: No</p> <p>Total Fixed Payment: 2550.00</p> <p>Verified Assets: 62453.00</p> <p>Months in Reserve: []</p> <p>Interested Party Contributions Amount: []</p> <p>Inducements to Purchase: []</p> <p>EIN Name: []</p> <p>Name: TOTAL SCORECARD UWRTR</p> <p>Name: []</p> <p>Decision Date: 11/30/2023</p>
---	---

Use radio buttons to specify a positive or negative amount

If the source of the gift is a nonprofit, the Employer Identification Number (EIN) must be entered

If Yes is selected for Secondary Financing, click the lookup icon to view the details entered through the Secondary Financing function

Lookups

[TOTAL Scorecard Emulator](#)
[TOTAL Scorecard Emulator Comparison Data](#)

Figure 4: Worksheet Information section of Insurance Application Update

Worksheet Information Section – Processing Tips

Tips for completing the **Worksheet Information** section of **Insurance Application Update** (Figure 4) include:

- In the monetary value fields, dollar signs (\$) are not entered (they are “understood” by the system). For the **Required Investment** and **Total Requirements** fields, you can use the radio button to indicate either a positive amount, e.g., for new construction, or a negative amount, e.g., for some refinances.
- The **Borrower Paid Appraiser Required Repairs** field is view only and is applicable only to purchase cases. The amount is pre-filled from **Appraisal Logging**, where an update can be made.
- **Scorecard Decision** and **Decision Date** are view only fields that are based on the underwriting decision provided by FHA TOTAL Scorecard (used within the lender’s automated underwriting system (AUS) for evaluating credit risk). One of the following decisions is displayed:
 - *Accepted*: Borrower determined to be an acceptable risk for the loan amount
 - *Referred*: Borrower determined a possible bad risk for the loan amount, requiring full, manual underwriting by the lender
 - *Not Scored*: FHA TOTAL Scorecard was not used
- If a loan is underwritten in accordance with HUD’s Back to Work program, select **Yes** from the **Back to Work** drop-down box. In addition, the **Counsel Type** field (located in the **Borrower Information** page section (see **Figure 5**)) must specify *HUD Approved* and **Counsel TIN** must be

entered. Back to Work loans are only applicable to forward purchase cases assigned an FHA case number on or after August 15, 2013 through September 30, 2016.

- Indicate whether the borrower is receiving secondary financing for the purchase of the property by clicking the Yes or No radio-button beside **Secondary Financing Exists?** Use the **Secondary Financing** function available from the **Case Processing** menu to enter the required secondary financing information (*a maximum of five secondary financing sources are permitted*).
- For a 203(k) case for which **203k Calculator** was completed, the following fields are pre-filled and view only: **After-Improved Value** (this is the **Appraised Value** for other cases), **Sales Price**, **Inducements to Purchase**, **Energy Efficient Mortgage**, and **EEM Improvement Amount**.
- For FHA case numbers assigned:
 - Between 07/19/2016 through 01/07/2018, indicate whether there is an outstanding obligation under the Property-Assessed Clean Energy (PACE) program by clicking the Yes or No radio-button beside **PACE Indicator**. If Yes, then you must enter the amount of the outstanding obligation in the adjacent **PACE Amount** field; otherwise, the amount must be left blank.
 - Beginning 05/31/2024:
 - If the **Building on Own Land** field is Yes, then the **Acquisition Cost** field label is displayed.
 - Otherwise, if the **Building on Own Land** is No or N/A, then the **Sales Price** field label is displayed.

Note: See the FHA Single Family Housing Policy Handbook 4000.1 for specific information regarding the **Acquisition Cost** field.

Worksheet Information Section – Sources of Information

Figures 4a-4e show the forms used as the sources of information for the **Worksheet Information** section of **Insurance Application Update**. The callouts pointing to the fields on the source forms are the field names found in the **Worksheet Information** section of **Insurance Application Update**.

Unpaid Principal Balance appears on the *URLA - Fannie Mae Form 1003, Freddie Mac Form 65* in *Section 3. Financial Information – Real Estate*.

Section 3: Financial Information — Real Estate. This section asks you to list all properties you currently own and what you owe on them. I do not own any real estate

3a. Property You Own If you are refinancing, list the property you are refinancing FIRST.

Address		Street	City		State	ZIP	Unit #	Country
Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment	For 2-4 Unit Primary or Investment Property				
				Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income			
\$			\$	\$	\$			
Mortgage Loans on this Property <input type="checkbox"/> Does not apply								
Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Principal Balance		Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit (if applicable)		
			Unpaid Balance	To be paid off at or before closing				
		\$	\$	<input type="checkbox"/>		\$		
		\$	\$	<input type="checkbox"/>		\$		

Figure 4a: Unpaid Principal Balance field input

Current Housing Expense appears on the *URLA - Fannie Mae Form 1003, Freddie Mac Form 65* in Section I. Borrower Information.

Current Address		Current Housing Expenses
Street		
City	State	ZIP
How Long at Current Address? <input type="text"/> Years <input type="text"/> Months		Housing <input type="radio"/> No primary housing expense <input type="radio"/> Own <input type="radio"/> Rent (\$ <input type="text"/> /month)

Figure 4b: Current Housing Expenses field input

Information for the calculation of **Total Requirements** is from the *URLA – Lender Loan Information, Fannie Mae Form 1003, Freddie Mac Form 65*, section **L4. Qualifying the Borrower – Minimum Required Funds or Cash Back**. See also the Closing Disclosure.

L4. Qualifying the Borrower – Minimum Required Funds or Cash Back	
DUE FROM BORROWER(S)	
A. Sales Contract Price	Sum of this column provides the amount for Current Housing Expense
B. Improvements, Renovations, and Repairs	
C. Land (if acquired separately)	\$ <input type="text"/>
D. For Refinance: Balance of Mortgage Loans on the Property to be paid off in the Transaction (See Table 3a. Property You Own)	\$ <input type="text"/>
E. Credit Cards and Other Debts Paid Off (See Table 2c. Liabilities — Credit Cards, Other Debts, and Leases that You Owe)	\$ <input type="text"/>
F. Borrower Closing Costs (including Prepaid and Initial Escrow Payments)	\$ <input type="text"/>
G. Discount Points	\$ <input type="text"/>
H. TOTAL DUE FROM BORROWER(s) (Total of A thru G)	Total Requirements \$ 0.00

Figure 4c: Total Requirements field input

Required Investment is from the *FHA Loan Underwriting and Transmittal Summary - form HUD-92900-LT*, section **Underwriting Information**. See also the Closing Disclosure.

For purchase cases, if the **Interested Party Contributions % (Figure 4d)** is greater than six percent (6%), include any amount greater than six percent in the **Inducements to Purchase** field. Use the **Interested Party Contributions Amount** for determining the amount exceeding six percent.

Underwriting Information						
Monthly Income			Proposed Monthly Payments			
	Borrower	Co-Borrower	Total	Borrowers Primary Residence		
Base Income	\$ _____	\$ _____	\$ _____	First Mortgage P&I	\$ _____	
Other Income	\$ _____	\$ _____	\$ _____	Monthly MIP	\$ _____	
Net Rental Income	\$ _____	\$ _____	\$ _____	HOA Fees	\$ _____	
Total Income	\$ _____	\$ _____	\$ _____	Lease/Ground Rent	\$ _____	
				Second Mortgage P&I	\$ _____	
				Hazard Insurance	\$ _____	
				Taxes & Special Assessments	\$ _____	
				Total Mortgage Payment	\$ _____	
Debts & Obligations			Monthly	Unpaid Balance	Qualifying Ratios	
Total Installment debt	_____	_____	_____	_____	LTV _____%	
Child Support	_____	_____	_____	_____	CLTV (if 2nd permitted) _____%	
Negative Rental Cash Flow	_____	_____	_____	_____	Mortgage Payment-to-income _____%	
All other monthly payments	_____	_____	_____	_____	Total Fixed Payment-to-Income _____%	
Total Fixed Payment	_____	_____	_____	_____		
Borrower Funds to Close						
Required	\$ _____					
Verified Assets	\$ _____					
Closing Costs	\$ _____			CAIVRS #	Borrower	Co-Borrower (s)
Source of Funds	_____			_____	_____	_____
No. of Months in Reserves	_____					
Seller Contribution	_____	_____ %			Interested Party Contributions (%) <input type="radio"/> yes <input type="radio"/> no	

Figure 4d: Required Investment and Interested Party Contribution (%) field inputs

Information for the following **Worksheet Information** fields may be obtained from the *FHA Loan Underwriting and Transmittal Summary - form HUD-92900-LT (Figure 4e)* and the Closing Disclosure:

- Appraisal Underwriter ID
- Appraised Value
- Borrower Paid Closing Costs
- Energy Efficient Mortgage
- Gift Letters
- Interested Party Contributions (%)
- Months in Reserve
- Sales Price
- Secondary Financing
- Total Fixed Payment
- Total Income
- Total Mortgage Payment
- UFMIP Paid in Cash
- Underwriter Approval Date
- Underwriter ID
- Verified Assets

FHA Loan Underwriting and Transmittal Summary U.S. Department of Housing and Urban Development OBM Approval No. 2502 - 0059 (expires 12/31/2023)

See back of page for Public Burden and Sensitive Information statements Office of Housing Federal Housing Commissioner

Borrower and Property Information FHA Case No. _____ SOA _____

Borrower Name _____ SSN _____
 Co-Borrower Name _____
 Property Address _____

Sales Price

Property Type (Check only 1)
 1 unit 2 units 3 - 4 units Condominium Co-op Manufactured Housing

Additional Pro
 Sales Price \$ _____
 Appraised Value \$ _____

Property Rights
 Fee Simple Existing
 Leasehold Proposed New (less than 1 year)

Construction
 Existing Proposed New (less than 1 year)

Mortgage Information

Amortization Type (Check only 1)
 Fixed-Rate-Monthly Payments
 ARM 1 3 5 7 10 yr
 ARM Index _____
 ARM Margin _____
 Int. Rate Buydown

Loan Purpose (Check all that apply)
 Purchase
 No Cash-Out Refinance
 Cash-Out Refinance
 Simple Refinance
 Streamline Refinance
 Construction-to-Permanent
 Energy Efficient Mortgage
 Building On Own Land
 HUD REO
 203(k)
 Standard Limited Other

Secondary Financing
 Source/EIN _____
 Gov't NP Family
 Other
 Amount of Secondary Financing \$ _____

Gifts Seller Funded DAP Y/N
 1.) Source/EIN _____
 Gov't NP Family
 Other
 Amount of Gift \$ _____
 2.) Source/EIN _____
 Gov't NP Family
 Other
 Amount of Gift \$ _____

Loan Information
 Mortgage w/o UFMP \$ _____
 Total UFMP \$ _____
 Mortgage w/ UFMP \$ _____
 Interest Rate _____ %
 Qualifying Rate (1 Yr. ARM) _____ %
 Loan Term (in months) _____

Underwriting Information

Monthly Income

	Borrower	Co-Borrower	Total
Base Income	\$ _____	\$ _____	\$ _____
Other Income	\$ _____	\$ _____	\$ _____
Net Rental Income	\$ _____	\$ _____	\$ _____
Total Income	\$ _____	\$ _____	\$ _____

Proposed Monthly Payments

Borrowers Primary Residence	
First Mortgage P&I	\$ _____
Monthly MIP	\$ _____
HOA Fees	\$ _____
Lease/Ground Rent	\$ _____
Second Mortgage P&I	\$ _____
Hazard Insurance	\$ _____
Taxes & Special Assessments	\$ _____
Total Mortgage Payment	\$ _____

Qualifying Ratios

LTV	_____ %
CLTV (if 2nd permitted)	_____ %
Mortgage Payment-to-income	_____ %
Total Fixed Payment-to-Income	_____ %

Depts & Obligations

	Monthly	Unpaid Balance
Total Installment debt	_____	_____
Child Support	_____	_____
Negative Rental Cash Flow	_____	_____
All other monthly payments	_____	_____
Total Fixed Payment	_____	_____

Borrower Funds to Close

Required	\$ _____
Verified Assets	\$ _____
Closing Costs	\$ _____
Source of Funds	_____
No. of Months in Reserves	_____
Seller Contribution	_____ %

Underwriter Comments

Underwriter's signature & date (if required) _____ CHUMS ID # _____

X _____ **Underwriter Approval Date** _____ **Underwriter ID** _____

Risk Assessment
 Scored by TOTAL? yes no Risk Class A/A or Refer **Appraisal Underwriter** _____
 CHUMS ID # for Reviewer of appraisal _____
 (Required for loans scored by TOTAL with risk class A/A or loans where the appraisal and credit reviews are performed by different underwriters.)

Figure 4e: Other Worksheet Information field inputs

If energy efficient improvements are factored into the mortgage, refer to the *FHA Loan Underwriting and Transmittal Summary - form HUD-92900-LT*, *Home Energy Rating Systems (HERS) report*, and *URLA - Fannie Mae Form 1003, Freddie Mac Form 65 for the EEM Improvement Amount and Energy Efficient Mortgage* information. For a 203(k) case for which 203k Calculator was completed, these fields are view only and pre-filled with the information from 203k Calculator.

For an Energy Efficient Home (EEH), get the **Home Energy Score** from the *Home Energy Score Report* for cases with a **Construction Code** of *Existing Construction* or *Substantial Rehabilitation*. The **Home Energy Score** is not required for other **Construction Code** types.

Note: If the mortgage is being manually underwritten to take advantage of the “stretch” ratios of an EEH, Yes is selected in the **Manual Underwrite Stretch Ratios (EEM)** field (Figure 4).

Borrower Information Section

The **Borrower Information** section of **Insurance Application Update** appears in **Figure 5**, followed by processing tips. Key portions of the forms used as sources of information for completing this section are illustrated in **Figures 5a-5c**.

*** Borrower Information ***

Borrower 1
 Name: SSN/TIN: Date of Birth:

Credit Scores: Experian/FICO: Equifax/Beacon®: TransUnion/Empirica®:

Ethnicity: *Check all applicable boxes*
 Hispanic or Latino
 Mexican Puerto Rican Cuban
 Other Hispanic or Latino
 Not Hispanic or Latino
 I do not wish to provide this information

Race: *Check all applicable boxes*
 American Indian or Alaska Native
 Asian
 Asian Indian Chinese Filipino
 Japanese Korean Vietnamese
 Other Asian
 Black or African American
 Native Hawaiian or Other Pacific Islander
 Native Hawaiian Guamanian or Chamorro
 Samoan Other Pacific Islander
 White
 I do not wish to provide this information

Sex:
 Female
 Male
 I do not wish to provide this information

For loan applications taken in person:
 Was the ethnicity of the Borrower collected on the basis of visual observation or name?
 Was the sex of the Borrower collected on the basis of visual observation or name?
 Was the race of the Borrower collected on the basis of visual observation or name?

The Demographic Information was provided through:

[Add Another Borrower](#) ← **Click link to enter co-borrower information**

Note: For Borrowers 2-5, the fields are identical to those shown here for Borrower 1 and are not included in this illustration due to page constraints.

I certify that the lender associated with this case number has an active loan application for this property address and listed borrower(s):

Exempt from SSN: Number of Dependents: Marital Status:

Self-employed: Yes No
 Renting: Yes No
 First Time Home Buyer: Yes No
 Counseling Certificate Number: COUNSELED DATE:
 Veterans Preference: Yes No
 Years at Current Job:
 Years Renting:
 Counsel Type:
 Counsel TIN:

Figure 5: Borrower Information section of Insurance Application Update

Borrower Information Section – Processing Tips

Tips for completing the **Borrower Information** section of **Insurance Application Update** (Figure 5) include:

- For **FHA Case Numbers** assigned on/after 03/01/2021, complete the **Borrower Information** section using the *Uniform Residential Loan Application, Section 1: Borrower Information and Section 8: Demographic Information*. For each co-borrower, use the *Uniform Residential Loan Application - Demographic Information Addendum*.
- If the borrower’s/co-borrower’s **Name**, **SSN**, and/or **Date of Birth** are added or updated, the new identification information is validated overnight with the Social Security Administration (SSA). The following message is displayed on the **Insurance Application Update** and/or **Results** page:

Warning: Pending Borrower Validation; Check Holds Tracking Next Business Day.

Important: Check **Holds Tracking** the next business day to determine the status of the borrower validation. If the borrower validation fails, the case cannot be endorsed for FHA insurance without Homeownership Center (HOC) acknowledgment of the warning.

Note: If the borrower is a Government Entity, the name must be entered in the following format: Government, Entity.

See **Insurance Application WINK (Completing the Insurance Application, Tips for Changing Borrower Information)** for details.

- If values are not displayed in the **Credit Scores** field, enter the three-digit scores provided in the Experian/Fico, Equifax/Beacon®, and/or TransUnion/Empirica® credit score reports.
 - Use **Insurance Application** online **Help (Steps for Processing)** if the **Borrower Type** is a corporation/partnership or government agency/nonprofit or if the case is a streamline refinance.
 - **FHA TOTAL Scorecard** credit risk evaluations for FHA loans submitted via an automated underwriting system are automatically entered by the system and cannot be changed.

Borrower Information Section – Sources of Information

Figures 5a-5c show the fields on the URLA - Fannie Mae Form 1003, Freddie Mac Form 65 (Section 1a: Personal Information, Section 1b: Current Employment/Self-Employment and Income, and Section 8: Demographic Information) that relate to the specific fields of the Borrower Information section of Insurance Application Update.

Uniform Residential Loan Application
 Verify and complete the information on this application. If you are applying for this loan with others, each additional Borrower must provide information as directed by your Lender.

Section 1: Borrower Information. This section asks about your personal information and your income from employment and other sources, such as retirement, that you want considered to qualify for this loan.

1a. Personal Information

Borrower Name
 Name (First, Middle, Last, Suffix) _____
 Alternate Names – List any names by which you are known or any names under which credit was previously received (First, Middle, Last, Suffix) _____

Borrower SSN/TIN
 Social Security Number (or Individual Taxpayer Identification Number) _____
 Date of Birth (mm/dd/yyyy) ____/____/____
 Citizenship: U.S. Citizen, Permanent Resident Alien, Non-Permanent Resident Alien

Date of Birth
 Type of Credit: I am applying for individual credit. I am applying for joint credit. Total Number of Borrowers: ____
 Each Borrower intends to apply for joint credit. Your initials: _____

Marital Status
 Married, Separated, Unmarried (Single, Divorced, Widowed, Civil Union, Domestic Partnership, Registered Reciprocal Beneficiary Relationship)

Number of Dependents
 Dependents (not listed by another Borrower) Number ____ Ages _____

Contact Information
 Home Phone (____) ____-____
 Cell Phone (____) ____-____
 Work Phone (____) ____-____ Ext. ____
 Email _____

Current Address
 Street _____ City _____ State _____ ZIP _____ Country _____
 How Long at Current Address? ____ Years ____ Months Housing: No primary housing expense, Own, Rent (\$_____/month)

Years Renting
 Renting Yes No

Former Address
 If at Current Address for LESS than 2 years, list Former Address Does not apply
 Street _____ City _____ State _____ ZIP _____ Country _____
 How Long at Former Address? ____ Years ____ Months Housing: No primary housing expense, Own, Rent (\$_____/month)

Figure 5a: Borrower information

1b. Current Employment/Self-Employment and Income Does not apply

Employer or Business Name _____ Phone (____) ____-____
 Street _____ City _____ State _____ ZIP _____ Country _____

Position or Title _____
 Start Date ____/____/____ (mm/dd/yyyy)
 How long in this line of work? ____ Years ____ Months

Using this date, calculate Years at Current Job

Check if this statement applies:
 I am employed by a family member, property seller, real estate agent, or other party to the transaction.

Gross Monthly Income
 Base \$_____/month
 Overtime \$_____/month
 Bonus \$_____/month
 Commission \$_____/month
 Military Entitlements \$_____/month
 Other \$_____/month
TOTAL \$_____ 0.00/month

Check if you are the Business I have an ownership share of less than 25%. **Monthly Income (or Loss)**
 Owner or Self-Employed I have an ownership share of 25% or more. \$_____

Self-employed

Figure 5b: Borrower employment information

Figure 5c below shows where to find ethnicity, race, and sex information if furnished by the borrower, and how the application information was collected by the financial institution.

Section 8: Demographic Information. This section asks about your ethnicity, sex, and race.

Demographic Information of Borrower

The purpose of collecting this information is to help ensure that all applicants are treated fairly and that the housing needs of communities and neighborhoods are being fulfilled. For residential mortgage lending, Federal law requires that we ask applicants for their demographic information (ethnicity, sex, and race) in order to monitor our compliance with equal credit opportunity, fair housing, and home mortgage disclosure laws. You are not required to provide this information, but are encouraged to do so. You may select one or more designations for "Ethnicity" and one or more designations for "Race." **The law provides that we may not discriminate** on the basis of this information, or on whether you choose to provide it. However, if you choose not to provide the information and you have made this application in person, Federal regulations require us to note your ethnicity, sex, and race on the basis of visual observation or surname. The law also provides that we may not discriminate on the basis of age or marital status information you provide in this application. If you do not wish to provide some or all of this information, please check below.

Ethnicity: Check one or more

Hispanic or Latino

Mexican Puerto Rican Cuban

Other Hispanic or Latino – Print origin: _____

For example: Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on.

Not Hispanic or Latino

I do not wish to provide this information

Sex

Female Male

I do not wish to provide this information

Race: Check one or more

American Indian or Alaska Native – Print name of enrolled or principal tribe: _____

Asian

Asian Indian Chinese Filipino

Japanese Korean Vietnamese

Other Asian – Print race: _____

For example: Hmong, Laotian, Thai, Pakistani, Cambodian, and so on.

Black or African American

Native Hawaiian or Other Pacific Islander

Native Hawaiian Guamanian or Chamorro Samoan

Other Pacific Islander – Print race: _____

For example: Fijian, Tongan, and so on.

White

I do not wish to provide this information

To Be Completed by Financial Institution (for application taken in person):

Was the ethnicity of the Borrower collected on the basis of visual observation or surname? NO YES

Was the sex of the Borrower collected on the basis of visual observation or surname? NO YES

Was the race of the Borrower collected on the basis of visual observation or surname? NO YES

The Demographic Information was provided through:

Face-to-Face Interview (includes Electronic Media w/ Video Component) Telephone Interview Fax or Mail Email or Internet

Application collection information

Application Received by

Figure 5c: Demographic Information Addendum

Note: Refer to the completed *Demographic Information Addendum* for each co-borrower on the loan.

Refer to the case binder and **Insurance Application** online **Help** if you need to determine:

- **Counsel TIN**
- **Counsel Type**
- **First Time Home Buyer**
- **Veterans Preference**

Mortgage Information Section

The **Mortgage Information** section of **Insurance Application Update** appears in **Figure 6**, followed by processing tips. Key portions of the forms used as sources of information for completing this section are illustrated in **Figures 6-6a**.

* Mortgage Information *

Mortgage Amount: (without financed UFMIP)	148610 .00	QM Points and Fees:	
Mortgage Amount: (with financed UFMIP)	151210 .00	Interest Rate (%):	3.500
Monthly Payment:	679.01	Maturity Date:	04 /2046
Term of Loan:	360	Warranty:	
Amortization:	N/A	First Payment:	05 /2016
ARM Type:	N/A	ARM Index:	N/A
ARM Margin:		Loan-to-value (%):	96.49
Qualifying Rate:		MIP LTV (%):	0.00
Adjusted Value:	154000.00	CLTV Total (%):	96.50
Principal Reduction:	<input type="radio"/> Yes <input checked="" type="radio"/> No	CLTV Subject to Limit (%):	96.50
Current Payments:	Yes	Principal Reduction Amount:	
UFMIP Financed:	<input checked="" type="radio"/> Yes <input type="radio"/> No	Closing / Disbursement Date:	03 /27 /15
Appraiser License ID:	ABC00789	Appraiser Name:	HOLLAND, HOLLY H
203k Consultant ID:	<input type="text"/> <input type="button" value="Lookup"/>	203k Name:	
		Pre-endorsement Delinquency Status:	None

For a 203(k) case, the 203k Calculated Value field appears instead if 203k Calculator was completed

Calendar user aid

Figure 6: Mortgage Information section of Insurance Application Update

Mortgage Information Section - Processing Tips

Tips for completing the **Mortgage Information** section of **Insurance Application Update** (Figure 6) include:

- **Mortgage Amount (without financed UFMIP)** must be within FHA mortgage limits. The amount entered should not include the upfront mortgage insurance premium (UFMIP).
- If UFMIP is included in the mortgage, include the UFMIP in the mortgage amount entered in the **Mortgage Amount (with financed UFMIP)** and also select **Yes** in the **Upfront MIP Financed** field.

Note: If UFMIP is required for the case, the calculated amount due must be paid in full prior to processing **Insurance Application**.

- If the principal balance was reduced to qualify the mortgage for FHA insurance, be sure to select **Yes** in the **Principal Reduction** field and type the amount paid by the lending institution in the **Principal Reduction Amount** field. Evidence, such as a copy of the payment ledger showing the principal balance was paid down to an insurable amount, must be provided by your lending institution.
- Although not a prerequisite for endorsement, monthly mortgage insurance premium payments must be made from the beginning of loan amortization for cases requiring annual (monthly) MIP.
- The following fields are calculated by the system, are view only, and are based on other case criteria:
 - **Adjusted Value**
 - **Loan-to-Value (%)**
 - **MIP LTV (%)**

See the **Insurance Application** online **Help** for more information on these fields.

- The **Appraiser Name** and **203k Name** fields are system-generated after the **Insurance Application Update** is processed.

- For a 203(k) case for which **203k Calculator** was completed, the **Adjusted As-Is Value** rather than the **Adjusted Value** is displayed. This field and the **MIP LTV (%)** field are pre-filled from **203k Calculator** and are view only.
- If the lender entered into an agreement with the borrower to reduce the monthly mortgage payments or temporarily suspend them due to the COVID-19 pandemic, select *Forbearance* from drop-down list in the **Current Payments** field. The lender (including an LI lender) must submit the case binder (closing package) to the HOC for review. The HOC will endorse or not endorse the mortgage for FHA insurance based on the review.

Notes:

- *Forbearance* option is available for a limited time and the end date is to be determined.
- *Forbearance* is not applicable to a *Conventional Refinance Cash-Out* case.

Mortgage Information Section – Sources of Information

Figure 6b shows the *FHA Loan Underwriting and Transmittal Summary - form HUD-92900-LT* fields that relate to the specific fields of the **Mortgage Information** section of **Insurance Application Update**. The callouts pictured below pointing to the fields are the field names found in the **Mortgage Information** section of **Insurance Application Update**.

The diagram shows the Mortgage Information section of the HUD-92900-LT form with several callouts pointing to specific fields:

- Amortization** points to the **Amortization Type** section.
- Mortgage Amount (without financed UFMIP)** points to the **Mortgage w/o UFMIP** field.
- ARM Type** points to the **ARM** selection options.
- ARM Margin** points to the **ARM Margin** field.
- Interest Rate (%)** points to the **Interest Rate** field.
- Term of Loan** points to the **Loan Term (in months)** field.
- Qualifying Rate** points to the **Qualifying Rate** field.
- Monthly Payment (includes principal and interest)** points to the **Total Mortgage Payment** field in the **Proposed Monthly Payments** section.

Figure 6a: Mortgage Information sources

For the following fields of the **Mortgage Information** section of **Insurance Application Update**, refer to these additional documents:

- **203k Consultant ID** (HUD-9746-A)
- **Appraiser License ID** (Appraisal Report)
- **Closing/Disbursement Date** (Settlement Statement/Closing Disclosure)
- **First Payment** (Note)
- **Maturity Date** (Note, Mortgage, or other security instrument)
- **Principal Reduction** and **Principal Reduction Amount** (payment ledger showing principal balance was paid down)
- **QM Points and Fees** (Settlement Statement/Closing Disclosure)
- **Warranty** (warranty certificate, insurance policy, or other document of similar purpose)

Refer also to **Insurance Application** online **Help** for information on completing these fields.

Note: **Loan-to-Value (%)**, **Appraiser Name**, and **203k Name** are provided by the system after **Insurance Application Update** is processed.

Flood Insurance Information Section

The **Flood Insurance Information** section of **Insurance Application Update** appears in **Figure 7**, followed by some processing tips.

*** Flood Insurance Information ***

Is property improvement in a Special Flood Hazard Area (Zones with "A" or "V")?: Yes No
 Do you have a LOMA, LOMR or Elevation Cert that indicates the property improvements are not in a SFHA?: Yes No

Insurance Type:

NFIP Flood Insurance Building Coverage: \$ <input type="text" value="00"/>	100% Replacement Cost: \$ <input type="text" value="00"/>
NFIP Flood Insurance Company: <input type="text"/>	Land Cost: \$ <input type="text" value="00"/>
NFIP Flood Insurance Policy Number: <input type="text"/>	Land Cost Source: <input type="text" value="Select Land Cost Source"/>
PFI Flood Insurance Building Coverage: \$ <input type="text" value="00"/>	
PFI Flood Insurance Company: <input type="text"/>	
PFI Flood Insurance Policy Number: <input type="text"/>	

Figure 7: Flood Insurance Information section

Flood Insurance Information Section – Processing Tips

Tips for completing the **Flood Insurance Information** section of **Insurance Application Update** (Figure 7) include:

- If applicable, refer to the Case Binder for the flood insurance policy and other related information to assist with completing this section.
- If the property is within one of the following two Special Flood Hazard Area (SFHA) zone categories, then additional documentation and/or information is required for the property:
 - **Zone A** refers to residential buildings and related property improvements that are within a Special Flood Hazard Area,
 - **Zone V** refers to an area of unknown flood hazard.
- For properties within an SFHA, you must have one of the following:
 - **Letter of Map Amendment (LOMA)**
An official letter/amendment regarding an effective National Flood Insurance Program (NFIP) map that establishes the location of the property in relation to the Special Flood Hazard Area (SFHA).
 - **Letter of Map Revision (LOMR)**
An official letter revising the current Flood Insurance Rate Map (FIRM) to show changes to floodplains, floodways, or flood elevations.
 - **Elevation Certificate**
A certificate that provides elevation information necessary to ensure compliance with community floodplain management ordinances, to inform mitigation actions that will lower flood risk, and/or support a request for a LOMA to remove a building from high-risk.

Otherwise, flood insurance policy information for the property is required, such as the type and amount of flood insurance obtained by the borrower, policy number, insuring company, replacement costs, etc.

Borrower Request for Appraisal Review Information Section

The **Borrower Request for Appraisal Review Information** section of **Insurance Application Update** appears in **Figure 8**, followed by some processing tips. See the Case Binder for any information regarding a borrower-requested review of the appraisal and resolution thereof.

*** Borrower Request for Appraisal Review Information ***

A Request for Review of Appraisal Results was received from the Borrower:

What was the basis for the Review? (select all that apply):

<input type="checkbox"/> Inadequate comparable properties	<input type="checkbox"/> Complaint that the appraisal was influenced by prohibited bias
<input type="checkbox"/> Factual or other errors or omissions	<input type="checkbox"/> Other (specify): <input style="width: 400px;" type="text"/>

How did the Mortgagee resolve the request? (select one):

The Underwriter resolved without further action. Sufficient detail must be retained in Case Binder.

The Underwriter submitted a Reconsideration of Value request to the Appraiser. The revised version of the appraisal with the Appraiser's response was logged in FHAC.

The Underwriter determined the Appraisal was materially deficient. A Second Appraisal was obtained and logged in FHAC.

Other (specify):

Figure 8: Borrower Request for Appraisal Review Information section

Borrower Request for Appraisal Review Information Section – Processing Tips

Tips for completing the **Borrower Request for Appraisal Review Information** section of **Insurance Application Update** (**Figure 8**) include:

- Select **Yes** or **No** from the drop-down list in the **A Request for Review of Appraiser Results was received from the Borrower** field.
 - If **No** is selected, then no further information is required in this section.
 - If **Yes** is selected, then you must:
 - Select one *or more* of the listed reasons for the borrower-requested appraisal review, and
 - Select how the lender resolved the request for appraisal review.

Note: If **Other** is selected to either question, you must enter a brief description in the text box provided.

Endorsement Information Section

HUD Homeownership Center (HOC) personnel complete the **Endorsement Information** section, except for lenders participating in the LI Program, described in **Lender Insurance (LI) Endorsement Processing** below. See also **Insurance Application Results (MIC or NOR)**.

Lender Insurance (LI) Endorsement Processing

FHA's Lender Insurance (LI) Forward program enables qualifying lenders to endorse their traditional forward (DE non-HECM) mortgage loans for FHA insurance without a pre-endorsement review by a HUD Homeownership Center (HOC). This expedited procedure is part of HUD's overall effort to make the processing of FHA loans easier and more cost-efficient so that lenders are better able to offer FHA-insured loans and expand the availability of affordable financing for potential homebuyers.

Lending organizations must meet the following criteria for eligibility in the LI Forward program:

- Be an unconditionally approved Direct Endorsement (DE) lender for at least two years
- Have an acceptable current default/claim rate *at or below* 150% of either the:
 - national average rate for all insured mortgages for national lenders or
 - state average rate for insured mortgages for lenders operating in a single state

The current default/claim rate is determined at the corporate level (Home office level) of the lender, based on the lender underwriting the loan. The lender's default/claim rate is re-evaluated annually on their LI

Authorization anniversary date against performance information displayed in **Neighborhood Watch** on the FHA Connection. Authorized lenders can view their own information in **Neighborhood Watch** using the **Lender Detail Lender Summary** page, which provides lender insurance status and the date associated with the status.

Once approved for the LI Forward program, an LI lender:

- is required to perform a pre-endorsement review of each of its own forward cases before processing the endorsement
- processes the endorsement for all its forward cases
- is required to send case binders to HUD only when requested. Submission of case binders is done electronically or in paper format.

However, only the HOC can endorse a case or issue a NOR if the:

- LI lender is requested to submit a case binder,
- case was issued a NOR and the LI lender resubmitted the case binder, or
- borrower on the case is a Government Entity.

To find out more about the LI Forward program and applying for approval, refer to the following:

- HUD Housing Lender Insurance Program website: (https://www.hud.gov/program_offices/housing/sfh/lender/lendins)
- **FHA Single Family Housing Policy Handbook** (Handbook 4000.1) (https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1)
- **Electronic Case Binder Developer's Guide**, directed primarily to lenders using *Loan Origination Systems (LOS)*, provides the necessary information for software development to establish and maintain the required interface (<https://www.hud.gov/pub/chums/electronicCaseBinder.pdf>).

Insurance Application Results (MIC or NOR)

Once **Insurance Application** is completed and successfully submitted, an authorized representative (e.g., an authorized employee of the LI lender or an authorized HOC staff member for a non-LI lender) endorses the case using the **Endorsement Information** section of **Insurance Application**. If there are no issues, the **Insurance Application Results** page displays a message indicating that processing was successful. Endorsement information appears at the bottom of the page indicating that the case is insured (**Figure 9**).

The screenshot shows the 'Insurance Application Results' page. At the top, there is a blue banner with the text 'Insurance Application Results'. Below this, a yellow callout box points to a message: 'A success message at the top of the page indicates Insurance Application is complete'. The main content area features a blue banner with a red checkmark icon and the word 'SUCCESS'. Below the banner, the text reads 'INSURANCE APPLICATION SUCCESSFULLY COMPLETED'. At the bottom of the page, there is a section titled '* Endorsement Information *' containing the following details:

Technical Review:	No	Insurance Date:	10/06/
Insurance Decision:	Yes	Pre-endorsement Delinquency Status:	None
Insured by:	M23456		

A yellow callout box points to the endorsement information section, stating: 'Endorsement information appears at the bottom of the page indicating the case is insured'.

Figure 9: Insurance Application Endorsement Information

After a case is submitted for endorsement, lenders can use the **MIC/NOR List** function on the **Case Processing** menu to retrieve a list of their cases that were either:

- a. endorsed and issued a MIC, or
- b. not endorsed and issued a NOR

From the retrieved list, the lender can view and/or print the MIC or NOR.

Note: For more information on **MIC/NOR List** and resolving a NOR, refer to:

- **Insurance Application WINK** (*Insurance Application – Accepted or Rejected? Retrieving Mortgage Insurance Certificate (MIC)*, or *Resolving a Notice of Return (NOR)*)
- **MIC/NOR List** online **Help**

The electronic MIC serves as evidence of FHA insurance of the mortgage loan. HUD issues the NOR to indicate a mortgage loan cannot be endorsed for FHA insurance and provides the reason(s) for non-endorsement. The case binder (closing package) is returned to the originator or sponsor/agent of the loan. The lender may address the NOR by resolving the noted problems, updating case information, and resubmitting the case binder for reconsideration and possible endorsement.