

# 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.

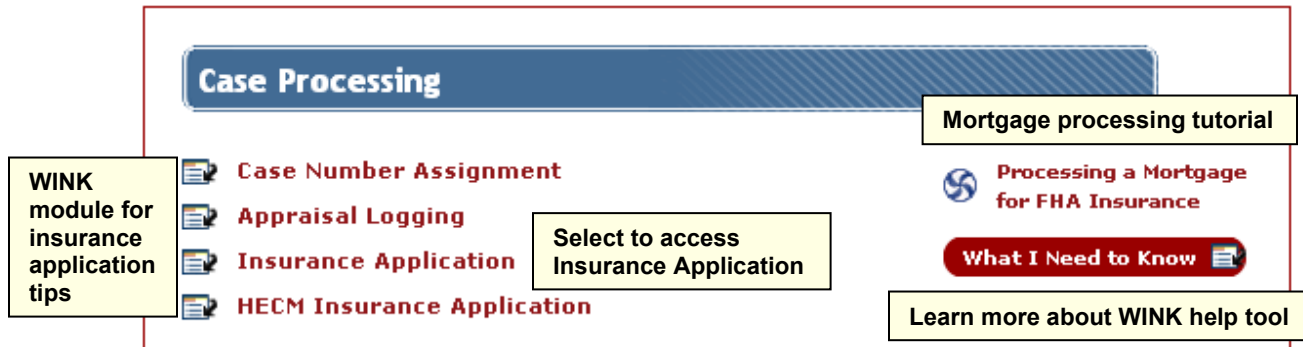


Figure 1: Insurance Application available on the Case Processing menu

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)
- *Supplemental Consumer Information Form – Fannie Mae/Freddie Mac form 1103*
- *Single Family Comparable Rent Schedule – Fannie Mae form 1007/Freddie Mac form 1000*

## 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**).

The screenshot displays the 'Insurance Application' page within the FHA Connection system. At the top, a red banner contains the breadcrumb trail: 'Single Family FHA > Single Family Origination > Case Processing > Insurance Application'. Below this, the page title 'Insurance Application' is prominently displayed. A text input field for the 'FHA Case Number' contains the value '123-4567890'. To the right of this field is a 'Help Links' button. Below the input field are two buttons: 'Send' (with a play icon) and 'Reset'. Further down, a 'Message Board' section is visible, dated 'Tuesday August 25, 2015'. At the bottom of the page, a blue footer bar contains several links: 'HSG/FHA Home Page', 'HUD Single Family Housing Page', 'HUD Multifamily Housing Page', 'HUDCLIPS', 'Lenders Information', 'Mortgage Letters', and 'HUD Single Family Housing Policy Handbook 4000.1'.

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**.

**FHA Connection** Home Main Menu ID Maintenance E-mail Us Contact Us Sign Off

Single Family FHA Single Family Origination > Case Processing > Insurance Application

**Insurance Application Update**

**WARNING**  
Existing conditions may affect processing.  
[\[See message\(s\) below\]](#)

**Help Links** **Other Functions**

**Select Other Functions to use another function for the same case (e.g., Case Number Assignment)**

FHA Case Number: 011-8765432  
Last Update ID: M12345  
Last Update Date: 03/30/16

**\* General Information \***

Property Address: 2345 PINE TREE LN SE  
DECATUR, AL 35601-0000  
County Code: 103  
PUD/Condo: N/A

Originator/Principal ID: 1234501234  
ABC NATIONAL BANK

NMLS ID: 543210  
Loan Officer Name: MIKE  
First, MI:   
Last, Suffix: MICHAELS  
Loan Officer NMLS ID: 456789

ADP Code: 703 **ADP Code Selector**

Program ID: (00)-Default **Lookup**

**ADP Code Characteristics:**

Amortization Type	Housing Program	Property Type
Fixed	FHA Standard Mortgage Program (203b)	Not a condominium
Special Program	Buydown	Principal Write-down
No Special Program	No	Not a principal write-down

Borrower Type: Occupant  
Loan Purpose: Existing Occupied  
203k Type: N/A  
Cash-out: No  
Refinance Type: Not a Refinance  
Credit Qualifying Streamline: N/A  
\$100 REO Down  
Payment Program: ☐ Yes ☒ No

Solar/Wind: ☐ Yes ☒ No  
Weatherization: ☐ Yes ☒ No  
Escrow Data  
Escrow: (203k/EEM/Repair/Solar/Wind/Weatherization) ☐ 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: /  
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	
<b>Amortization Type</b> (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	<b>Loan Purpose</b> (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 type="checkbox"/> 203(k) <input type="checkbox"/> Standard <input type="checkbox"/> Limited <input type="checkbox"/> Other
<b>Loan Information</b> Mortgage w/o UFMIP \$ _____ Total UFMIP \$ _____ Mortgage w/ UFMIP \$ _____ Interest Rate _____ % Qualifying Rate _____ % (1 Yr. ARM) Loan Term (in months) _____	<b>Secondary Financing</b> Source/EIN _____ <input type="checkbox"/> Gov't <input type="checkbox"/> NP <input type="checkbox"/> Family <input type="checkbox"/> Other _____ Amount of Secondary Financing \$ _____ <b>Gifts</b> 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 \_\_\_\_\_

**Living Units** 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

**Manufactured Housing**

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

**PUD**

**Solar/Wind and/or Weatherization indicator**

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				
<b>Property Type</b> (Check only 1)		<b>Additional Property Information</b>		<b>Property Rights</b>
<input type="checkbox"/> 1 unit <input type="checkbox"/> 2 units <input type="checkbox"/> 3 - 4 units <input type="checkbox"/> Condominium <input type="checkbox"/> Manufactured Housing		Sales Price \$		<input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold
		<b>Sales Price</b>		<b>Construction Code</b>
		<b>Manufactured Housing</b>		<input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> New (less than 1 year)
<b>Mortgage Information</b>				
<b>Amortization Type</b> (Check only 1)		<b>Loan Purpose</b> (Check all that apply)		<b>Secondary Financing</b>
<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		<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 type="checkbox"/> 203(k) <input type="checkbox"/> Standard <input type="checkbox"/> Limited <input type="checkbox"/> Other		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 \$ _____
<b>Loan Information</b>		<b>Loan Purpose</b>		<b>Construction to Permanent</b>
Mortgage w/o UFMIP \$ _____ Total UFMIP \$ _____ Mortgage w/ UFMIP \$ _____ Interest Rate _____ % Qualifying Rate _____ % (1 Yr. ARM) Loan Term (in months) _____		<b>Cash-out refi</b>		<b>Building on Own Land</b>

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 \***

Appraised Value:	300000.00	Sales Price:	298000.00
Current Housing Expense:	1266.00	Unpaid Principal Balance:	.00
Borrower Paid Appraiser Required Repairs:	.00	Principal Write-off Amount:	.00
Total Requirements:	21939.00	Total Income:	9888.00
	<input checked="" type="radio"/> + <input type="radio"/> -	Amount of Total Income from Boarder(s) (not ADU):	.00
		Amount of Total Income from ADU:	.00
		Limited or No History of ADU Income:	No ▾
		Total Fixed Payment:	4286.00
Total Mortgage Payment:	2709.00	Verified Assets:	40797.00
UFMIP Paid in Cash:		Months in Reserve:	
Borrower Funds to Close		Interested Party Contributions Amount:	.00
Required Investment:	24939.00	Inducements to Purchase:	.00
Borrower Paid Closing Costs:	10030.00		
Interested Party Contributions (%):			
Gift Letters			
Letter 1 Amount:	.00		
Source:	N/A		
EIN:			
Letter 2 Amount:	.00		
Source:	N/A		
EIN:			
Secondary Financing		EIN Name:	
Secondary Financing Exists:	<input type="radio"/> Yes <input type="radio"/> No		
Energy Efficient Mortgage:	<input type="radio"/> Yes <input type="radio"/> No		
EEM Improvement Amount:	.00		
Back to Work:	N/A ▾		
Underwriters			
Underwriter Approval Date:			
Underwriter ID:	ZFHA		
Appraisal Underwriter:			
Scorecard Decision:	Accepted		
TOTAL Scorecard Emulator		Name: TOTAL SCORECARD UWRTR	
TOTAL Scorecard Emulator Comparison Data		Name: 11/26/2024	
		Decision Date:	

**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**

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 borrowers who receive rental income from a boarder (*individual renting space in the borrower's residence*), enter the monthly amount in the **Amount of Total Income from Boarder(s) not ADU**. This amount cannot exceed 30% of the **Total Income** amount. Source: Current lease and the borrower's tax return that reflects the income from the boarder.
- 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
<b>Property Value</b>	<b>Status:</b> Sold, Pending Sale, or Retained	<b>Intended Occupancy:</b> Investment, Primary Residence, Second Home, Other	<b>Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment</b>		<b>For 2-4 Unit Primary or Investment Property</b>		
					<b>Monthly Rental Income</b>	<b>For LENDER to calculate: Net Monthly Rental Income</b>	
\$			\$		\$	\$	

**Mortgage Loans on this Property** ☐ *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.

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

<b>L4. Qualifying the Borrower – Minimum Required Funds or Cash Back</b>	
<b>DUE FROM BORROWER(S)</b>	
<b>A. Sales Contract Price</b>	<b>Sum of this column provides the amount for Current Housing Expense</b>
<b>B. Improvements, Renovations, and Repairs</b>	
<b>C. Land (if acquired separately)</b>	\$
<b>D. For Refinance: Balance of Mortgage Loans on the Property to be paid off in the Transaction (See Table 3a. Property You Own)</b>	\$
<b>E. Credit Cards and Other Debts Paid Off (See Table 2c. Liabilities — Credit Cards, Other Debts, and Leases that You Owe)</b>	\$
<b>F. Borrower Closing Costs (including Prepaid and Initial Escrow Payments)</b>	\$
<b>G. Discount Points</b>	\$
<b>H. TOTAL DUE FROM BORROWER(s) (Total of A thru G)</b>	<b>Total Requirements</b> \$ 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				
<b>Monthly Income</b>			<b>Proposed Monthly Payments</b>	
	<b>Borrower</b>	<b>Co-Borrower</b>	<b>Total</b>	<b>Borrowers Primary Residence</b>
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 \$ _____
<b>Debts &amp; Obligations</b>			<b>Qualifying Ratios</b>	
	<b>Monthly</b>	<b>Unpaid Balance</b>		
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	_____	_____		
<b>Borrower Funds to Close</b>				
Required	\$ _____	<b>Required Investment</b>		
Verified Assets	\$ _____			
Closing Costs	\$ _____	CAIVRS #	<b>Borrower</b>	<b>Co-Borrower (s)</b>
Source of Funds	_____		_____	_____
No. of Months in Reserves	_____			
Seller Contribution	_____ %	<b>Interested Party Contributions (%)</b>	<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 Home

**Additional Pro**  
 Sales Price \$ \_\_\_\_\_  
 Appraised Value \$ \_\_\_\_\_

**Property Rights**  
☐ Fee Simple ☐ Leasehold

**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 \$ \_\_\_\_\_  
 Seller Funded DAP ☐ Y/N

**Gifts**  
 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 UFMIP \$ \_\_\_\_\_  
 Total UFMIP \$ \_\_\_\_\_  
 Mortgage w/ UFMIP \$ \_\_\_\_\_  
 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	_____ %

**Debts & 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 \_\_\_\_\_

**Risk Assessment**  
 Scored by TOTAL? ☐ yes ☐ no Risk Class ☐ A/A or ☐ Refer

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.)

form HUD-92900-LT (02/2020)

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:

**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.**

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

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 Years at Current Job:

Renting: ☐ Yes ☒ No Years Renting:

First Time Home Buyer: ☐ Yes ☒ No Counsel Type:

Counseling Certificate Number:  Counsel Date:  Counsel TIN:

Veterans Preference: ☐ Yes ☒ No

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*.
- Below is format guidance if the borrower/co-borrower name information must be added or updated:
  - Last, First MI (**Example:** Doe, John J)
  - Last Suffix, First MI (**Example:** Doe Jr, John J)
  - If the last name exceeds 22 characters, enter as much of the last name as possible, then enter **one** character for the first name (**Example:** Bartholomew Milhouse-Rumpelstiltskin should be entered: *Milhouse-Rumpelstilt, B*).
- 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** (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

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

**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:

**List Name(s) of Other Borrower(s) Applying for this Loan** (First, Middle, Last, Suffix) – Use a separator between names

**Marital Status**

☐ Married

☐ Separated

☐ Unmarried (Single, Divorced, Widowed, Civil Union, Domestic Partnership, Registered Reciprocal Beneficiary Relationship)

**Number of Dependents** (not listed by another Borrower)

Number

Ages

**Contact Information**

Home Phone ( ) -

Cell Phone ( ) -

Work Phone ( ) -  Ext.

Email

**Current Address**

Street  Unit #

City  State  ZIP  Country

How Long at Current Address?  Years  Months **Housing** ☐ No primary housing expense ☐ Own ☐ Rent (\$  /month)

**Years Renting**

**Renting**

**If at Current Address for LESS than 2 years, list Former Address** ☐ Does not apply

Street  Unit #

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 \_\_\_\_\_ Unit # \_\_\_\_\_  
 City \_\_\_\_\_ ZIP \_\_\_\_\_ Country \_\_\_\_\_

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

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

☐ 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. \$ \_\_\_\_\_

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

Figure 5b: Borrower employment information

Self-employed

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 **Ethnicity**

☐ 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 **Sex**  
☐ Male  
☐ I do not wish to provide this information

**Race:** Check one or more **Race**

☐ 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 *FHA Loan Underwriting and Transmittal Summary - form HUD-92900-LT*. Callouts point to the following 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** checkbox.
- 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.

The form includes the following sections:

- Amortization Type** (Check only 1)
  - ☐ Fixed-Rate-Monthly Payments
  - ☐ ARM 1 ☐ 3 ☐ 5 ☐ 7 ☐ or 10 ☐ yr
  - ☐ ARM Index
  - ☐ 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 \$ \_\_\_\_\_
- 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 \$ \_\_\_\_\_

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.

The screenshot shows the 'Flood Insurance Information' section of a form. It includes a title '\* Flood Insurance Information \*' and two questions with radio button options: 'Is property improvement in a Special Flood Hazard Area (Zones with "A" or "V")?:' and 'Do you have a LOMA, LOMR or Elevation Cert that indicates the property improvements are not in a SFHA?:'. Below these are input fields for 'Insurance Type' (a dropdown menu), 'NFIP Flood Insurance Building Coverage: \$', 'NFIP Flood Insurance Company:', 'NFIP Flood Insurance Policy Number:', 'PFI Flood Insurance Building Coverage: \$', 'PFI Flood Insurance Company:', and 'PFI Flood Insurance Policy Number:'. On the right side, there are input fields for '100% Replacement Cost: \$', 'Land Cost: \$', and a dropdown menu for 'Land Cost Source:'. The form is styled with a light gray background and a red border.

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.

The screenshot shows a form titled "\* Borrower Request for Appraisal Review Information \*". It contains the following sections:

- A Request for Review of Appraisal Results was received from the Borrower:** A drop-down menu with "No" selected.
- What was the basis for the Review? (select all that apply):**
  - ☐ Inadequate comparable properties
  - ☐ Factual or other errors or omissions
  - ☐ Complaint that the appraisal was influenced by prohibited bias
  - ☐ Other (specify): [text box]
- 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): [text box]

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](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](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, a blue banner reads 'Insurance Application Results'. Below it, a yellow callout box states: '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 this, the text 'INSURANCE APPLICATION SUCCESSFULLY COMPLETED' is displayed. At the bottom, a section titled '\* Endorsement Information \*' contains 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 on the right side of the endorsement information section states: '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.