



FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

www.fha.gov

1-800-CALL-FHA

FHA Secure Fact Sheet

The Federal Housing Administration is pleased to announce an initiative that will enable homeowners to refinance various types of adjustable rate mortgages (ARMs) that have recently reset. Lenders and homeowners may refinance mortgages that, due to the increased mortgage payment following the reset, have become delinquent.

This program is designed to permit homeowners, who previous to their reset demonstrated an ability to meet their mortgage obligations, an opportunity to refinance into a prime-rate FHA-insured mortgage. In many cases homeowners may be permitted to include mortgage payment arrearages into the new loan amount, subject to existing geographical mortgage limits and the loan-to-value limit shown below.

ELIGIBILITY HIGHLIGHTS

- The mortgage being refinanced must be a non-FHA ARM that has reset.
- The borrower's payment history on the non-FHA ARM must show that, prior to the reset of the mortgage, the mortgagor was current in making the monthly mortgage payments.
- Borrower may have up to two 30-day or one 60-day late payment in the 12 months prior to the rate reset or the extenuating circumstance that caused the delinquency.
- Borrower may have up to one 90-day late payment or three 30-day late payments prior to the rate reset or extenuating circumstance that caused the delinquency (the loan-to-value on the FHA insured first mortgage in this instance may not exceed 90 percent).
- With sufficient equity in the home and under additional eligibility instructions, FHA will insure mortgages that include missed mortgage payments.
- Under certain conditions, FHA will allow the write off the amount of indebtedness that cannot be refinanced into the FHA insured mortgage; or the FHA-approved lender making the new mortgage or the existing note holder may take back a second lien that includes closing costs, arrearages or previous secondary financing if the indebtedness exceeds FHA prescribed LTV and maximum mortgage amount limits.

HOW TO APPLY

Search online for your nearest FHA approved lender at www.fha.gov, or for more information contact an FHA representative at 1-800-CALL-FHA (1-800-225-5342).

*Insuring the American dream of homeownership
for more than 34 million people since 1934*

