

BULLETIN #2015-04

TO: Distribution

DATE: February 3, 2015

RE: FHA Post Payment Interest Charge Reminder

EFFECTIVE DATE: As indicated below

CMG CORRESPONDENT POLICY AND GUIDELINE UPDATES

Topics Covered in this Announcement:

- Reminder: FHA Post Payment Interest Charge

REMINDER: FHA POST PAYMENT INTEREST CHARGE

Summary: HUD's previously announced elimination of post payment interest charges takes affect with loans closed on or after January 21, 2015.

Effective Date: Loans closed on or after January 21, 2015

This change affects only the refinance or payoff of loans closed on or after January 21, 2015. It has no impact on loans already insured or closed prior to January 21, 2015. When loans closed prior to January 21, 2015 refinance or payoff, the full month's interest can be collected by the servicer in the payoff.

Examples:

- Original loan closed 7/21/14 – refinance closing 3/1/2015: Full 30 days interest can be collected
- Original loan closed 3/1/2015 – refinance closing 8/1/2015: Only interest through the payoff date may be collected

References/Links:

- HUD Press Release:
http://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2014/HUDNo_14-104
- FHA Info #14-50:
http://portal.hud.gov/hudportal/documents/huddoc?id=SFH_FHA_INFO_14-50.pdf
- Federal Register/Final Rule:
<https://www.federalregister.gov/articles/2014/08/26/2014-20214/federal-housing-administration-fha-handling-prepayments-eliminating-post-payment-interest-charges>

***Please contact your Correspondent Regional Manager or
your Correspondent Liaison with any questions.***

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