

BULLETIN #2016-19

TO: Distribution

DATE: May 6, 2016

RE: CMG Financial Correspondent Lending Updates

EFFECTIVE: As noted below

CMG CORRESPONDENT POLICY AND GUIDELINE UPDATES

Topics Covered in this Announcement:

- [USDA- Advance Notice of Upfront Guarantee Fee and Annual Fee Reduction for Fiscal Year 2017](#)
- [Retiring Reference Materials for Old FHA 4155 Handbook](#)

USDA-ADVANCE NOTICE OF UPFRONT GUARANTEE FEE AND ANNUAL FEE REDUCTION FOR FISCAL YEAR 2017

Summary: USDA has provided advance notice of the upfront guarantee fee and annual fee structure that will be effective for Single Family Housing Guaranteed Loan Program (SFHGLP) loans in fiscal year (FY) 2017, which begins October 1, 2016 and ends at the close of business on September 30, 2017.

- The **upfront guarantee fee will change from 2.75% to 1.0%** of the loan amount.□
- The **annual fee will change from 0.50% to 0.35%** of the average scheduled unpaid principal balance for the life of the loan.

The change will apply to both purchase and refinance transactions.

Effective Date: The change does not take place until October 1, 2016. It will apply to loans “obligated” by the agency after that date. A loan is obligated when USDA has approved a complete loan application package and issued Form RD 3555-18 “Conditional Commitment for Single Family Housing Loan Guarantee” to the USDA approved lender.

Action to Take: This is advance notice of the industry change. Watch for additional updates/reminder as the effective date nears.

Reference: [Upfront Guarantee Fee and Annual Fee for Fiscal Year 2017](#)

RETIRING REFERENCE MATERIAL FOR OLD FHA 4155 HANDBOOK

Summary: Guidelines and reference materials for case numbers issued prior to September 14 th, 2015 are being retired and will no longer be posted under the loan program matrices on our Correspondent website.

Action to Take: If for any reason a transaction has a valid case number issued prior to September 14th, 2015 it will need to meet the 4155 Handbook requirements.

Effective Date: May 6, 2016

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

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