



Crescent Mortgage Company

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~Celebrating our 20th Year of Wholesale and Correspondent Lending~

May 18, 2012

BULLETIN: 05182012UW

TO: All Crescent Customers

FROM: Underwriting

RE: **FHA Streamline changes effective 6/11/2012**

As announced in [Mortgagee Letter 2012-04](#) the MIP rates for certain streamline refinances will decrease substantially for SOME streamline refinances with new case numbers assigned on or after June 11, 2012.

New FHA Streamline transactions that will pay off loans that were endorsed (insured) by FHA on or before May 31, 2009 will be eligible for a **greatly reduced** up front and annual MIP rate. Eligible streamlines will have an **UFMIP rate of 0.01%**. The **annual MIP rate for an eligible loan will be 0.55%**. All streamline refinances will still need to meet the Tangible Net Benefit requirements (reduction in payment, ARM loan to fixed, etc.) as outlined in [Mortgagee Letter 2011-11](#) (matrix attached).

Remember that this change will only affect streamline transactions that will pay off loans that were endorsed by FHA on or before May 31, 2009. **Any loans that were endorsed on, or after, June 1, 2009 will be subject to the current rate of 1.75% for the UFMIP and the annual rates as listed below.**

Term > 15 Years

Base Loan Amount	LTV	Effective	Annual MIP
Any Amount	≤ 95.00%	April 9, 2012	120 bps
Any Amount	> 95.00%	April 9, 2012	125 bps

Term < 15 Years with LTV above 78%

Any Amount	≤ 90.00%	April 9, 2012	35 bps
Any Amount	> 90.00%	April 9, 2012	60 bps

At Crescent we know how hard you work for your business and we want to help you get your eligible streamline loans into your pipeline as early as possible. We've developed the following procedure that will allow us to be able to accept and underwrite your eligible streamline transactions before the case numbers can be ordered.

If you wish to submit your streamlines prior to June 11 Case Number and it is qualified to receive the new lower upfront and monthly MIP you must take the following steps.

- 1. Register and process the loan as usual (All compliance and minimum documentation requirements still apply...)**
- 2. Submit the loan with the attached questionnaire completed and signed by the processor/originator. Put this completed questionnaire FIRST in the loan package!**
- 3. All eligible streamlines MUST be submitted with a payoff statement to show that the MAY 2012 payment has been credited to the existing loan.**
- 4. You must also submit documentation to confirm the case number on the existing loan.**
- 5. Our submissions department will confirm eligibility for the lower MIP with FHA**
- 6. Loans that are complete will be moved forward to the underwriting department**
- 7. You will see one of the following conditions on your approved loan...**
 - a. *“This is a streamline refinance loan that IS eligible for reduced MIP for case numbers assigned 6/11/2012 and after. Case number will be ordered by CMC after 6/11/2012.”*
 - b. *“This is a streamline refinance loan that IS NOT eligible for reduced MIP. Crescent to order case number.”*

Once the effective date has passed and your new case number assigned you can proceed to closing just as soon as your conditions have all been cleared!

We sincerely hope that this will assist you to capture some additional refinance business on FHA loans. Please contact your Crescent Account Executive for more information or if you have any questions.

TANGIBLE NET BENEFIT TEST FOR FHA STREAMLINE REFINANCES

To From	Fixed Rate	One-Year ARM	Hybrid ARM
Fixed Rate	Reduction of at least 5 percent of P&I and MIP (new guidance)	New interest rate at least 2 percentage points below the current interest rate of the fixed rate mortgage (existing guidance)	Reduction of at least 5 percent of P&I and MIP (new guidance)
One-Year ARM	New interest rate no greater than 2 percentage points above the current interest rate of the ARM (existing guidance)	Reduction of at least 5 percent of P&I and MIP (new guidance)	New interest rate at least 2 percentage points below the current interest rate of the ARM (existing guidance)
Hybrid ARM During Fixed Period	Reduction of at least 5 percent of P&I and MIP (new guidance)	New interest rate at least 2 percentage points below the current interest rate of the ARM (existing guidance)	Reduction of at least 5 percent of P&I and MIP (new guidance)
Hybrid ARM During Adjustable Period	New interest rate no greater than 2 percentage points above the current interest rate of the Hybrid ARM (existing guidance)	Reduction of at least 5 percent of P&I and MIP (new guidance)	New interest rate at least 2 percentage points below the current interest rate of the Hybrid ARM (existing guidance)



FHA Streamline Reduced MI Loan Submission Coversheet

**PLEASE MAKE THIS YOUR FRONT PAGE OF SCANNED LOAN FILE FOR
SUBMISSION TO CRESCENT MORTGAGE COMPANY**

Eligible Loans: Existing loan must have been endorsed by FHA on or before **5/31/2009**

CONTACT INFO:

TPO Contact Name: _____ Phone #: _____

Email Address: _____

LOAN INFO:

Borrower Name: _____

CMC Loan Number: _____

Existing Case Number for Payoff: _____

Existing Loan Closing date: _____

I confirm that the file has been submitted with the following:

1. Has your loan been registered/locked as a FHA Streamline?
YES / NO
2. Have you included proof of case number to be paid off (closing HUD, NOTE,
etc.) YES / NO
3. Have you included a payoff showing that the May payment has been credited?
YES / NO

Completed BY: _____

Date: _____

Phone #: _____