

# 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.

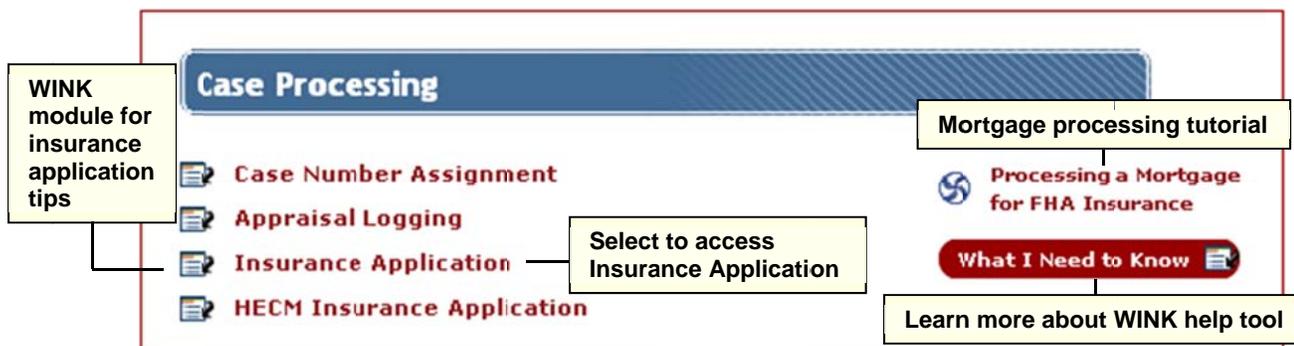


Figure 1: Insurance Application available on the Case Processing menu

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** provides the documents that can be used as sources of information for completing the Insurance Application form.
- **Insurance Application Processing** includes:
  - **Key Steps in Using Insurance Application**
  - **General Information, Affordable Housing / Community Land Trust Information, Worksheet Information, Borrower Information, Mortgage Information, and Endorsement Information** section-by-section illustrations and explanations of each part 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  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 the Insurance Application form 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 the Insurance Application form:

- **FHA Loan Underwriting and Transmittal Summary** - form HUD-92900-LT
- **Uniform Residential Appraisal Report (URAR)** - Fannie Mae Form 1004, Freddie Mac Form 70
- **Uniform Residential Loan Application (URLA)** - Fannie Mae Form 1003, Freddie Mac Form 65
- **HUD/VA 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
- 203k Maximum Mortgage Worksheet - form HUD-92700
- Builder's Certification of Plans, Specifications, & Site - form HUD-92541

## Insurance Application Processing

We begin with the basic steps for processing the Insurance Application form 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**).

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, Affordable Housing / Community Land Trust Information, Worksheet Information, Borrower Information, Mortgage 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.

- 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**.

The screenshot shows the 'Insurance Application Update' page on the FHA Connection website. The breadcrumb trail is 'Single Family FHA > Single Family Origination > Case Processing > Insurance Application'. A warning message states: 'WARNING Existing conditions may affect processing. [See message(s) below]'. The 'FHA Case Number' is 011-8765432. The 'General Information' section includes:

- Property Address: 2345 PINE TREE LN SE, DECATUR, AL 35601-0000
- County Code: 103
- Originator/Principal ID: 1234501234
- NMLS ID: 543210
- Loan Officer Name: MIKE MICHAELS
- ADP Code: 703
- Program ID: (00)-Default

The 'ADP Code Characteristics' section contains several dropdown menus and radio buttons:

- Amortization Type: Fixed
- Housing Program: FHA Standard Mortgage Program (203b)
- Property Type: Not a condominium
- Special Program: No Special Program
- Buydown: No
- Principal Write-down: 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
- Living Units: 01
- Construction Code: Existing Construction
- HUD Approved Secondary Residence: No
- Construction to Permanent: No
- Building on Own Land: No
- Payment Program: Yes/No
- Manufactured Housing: Yes/No
- Solar/Wind: Yes/No
- PUD: Yes/No
- Solar/Wind Amount: .00
- Weatherization Amount: .00
- HUD REO Repair Amount: .00
- Escrow Complete Date: /
- Escrow Amount: .00

Callouts in the image point to specific areas: 'ADP Code Selector' points to the ADP Code field; 'View-only information' points to the Property Address and County Code; 'Lookup' points to the dropdown menus in the ADP Code Characteristics section.

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-3d** 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**
- **203k Type**
- **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**
- **PUD**

**ADP Code** appears on the **HUD/VA Addendum to Uniform Residential Loan Application** (form HUD-92900-A) (**Figure 3a**).

The image shows a portion of the HUD/VA Addendum to Uniform Residential Loan Application form. It includes the title, OMB Approval No., and VA/ HUD approval dates. The main section is 'Part I - Identifying Information' with four numbered fields: 1. Agency Case No., 2. Agency Case No. (include any suffix), 3. Lender/Mortgagee Case No., and 4. Section of the Act (for HUD cases). A callout box labeled 'ADP Code' points to field 4.

Figure 3a: ADP Code field input

**Borrower Type, Living Units, and Secondary Residence**, appear on the **Uniform Residential Loan Application (URLA)** - Fannie Mae Form 1003, Freddie Mac Form 65, section II. Property Information and Purpose of Loan (**Figure 3b**).

The image shows section II of the Uniform Residential Loan Application form, titled 'II. PROPERTY INFORMATION AND PURPOSE OF LOAN'. It contains several fields: 'Subject Property Address (street, city, state & ZIP)', 'Legal Description of Subject Property (attach description if necessary)', 'Purpose of Loan' (with checkboxes for Purchase, Refinance, Construction, Construction-Permanent, and Other), and 'Property will be:' (with checkboxes for Primary Residence, Secondary Residence, and Investment). Callout boxes point to 'Living Units' (pointing to 'No. of Units'), 'Borrower Type (determined from purpose of residence indicated here)' (pointing to the 'Secondary Residence' checkbox), and 'HUD Approved Secondary Residence' (pointing to the 'Secondary Residence' checkbox).

Figure 3b: Living Units, Borrower Type, and Secondary Residence field inputs

VII. DETAILS OF TRANSACTION		
a. Purchase price	\$	
b. Alterations, improvements, repairs		
c. Land (if acquired separately)		
d. Refinance (incl. debts to be paid off)		
e. Estimated prepaid items		
f. Estimated closing costs		
g. PMI, MIP, Funding Fee		
h. Discount (if Borrower will pay)		
i. Total costs (add items a through h)		0.00

Solar/Wind and Weatherization are included on the URLA - Fannie Mae Form 1003, Freddie Mac Form 65, section VII. Details of Transaction.

Figure 3c: Solar/Wind and Weatherization field inputs

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 3d).

The image shows a screenshot of the 'FHA Loan Underwriting and Transmittal Summary' form. Several fields are highlighted with yellow boxes and red arrows pointing to them from labels:

- Construction Code**: Located in the Borrower and Property Information section.
- Manufactured Housing**: Located in the Property Type section.
- Loan Purpose**: Located in the Loan Purpose section.
- Cash-out refi**: Located in the Amortization Type section.
- Construction to Permanent**: Located in the Loan Purpose section.
- Building on Own Land**: Located in the Loan Purpose section.

Figure 3d: 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 \***

<p><b>Appraised Value:</b> 161000 .00</p> <p><b>Current Housing Expense:</b> .00</p> <p><b>Borrower Paid Appraiser Required Repairs:</b> .00</p> <p><b>Total Requirements:</b> <input checked="" type="radio"/> + <input type="radio"/> - 8391 .00</p> <p><b>Total Mortgage Payment:</b> 967 .00</p> <p><b>UFMIP Paid in Cash:</b> .00</p> <p><b>Borrower Funds to Close</b></p> <p><b>Required Investment:</b> <input checked="" type="radio"/> + <input type="radio"/> - 5390 .00</p> <p><b>Borrower Paid Closing Costs:</b> 1967 .00</p> <p><b>Interested Party Contributions (%):</b> 0</p> <p><b>Gift Letters</b></p> <p><b>Letter 1 Amount:</b> .00</p> <p><b>Source:</b> N/A</p> <p><b>EIN:</b> _____</p> <p><b>Letter 2 Amount:</b> .00</p> <p><b>Source:</b> N/A</p> <p><b>EIN:</b> _____</p> <p><b>Secondary Financing</b></p> <p><b>Secondary Financing Exists:</b> <input type="radio"/> Yes <input checked="" type="radio"/> No</p> <p><b>Energy Efficient Mortgage:</b> <input type="radio"/> Yes <input checked="" type="radio"/> No</p> <p><b>EEM Improvement Amount:</b> .00</p> <p><b>Back to Work:</b> No</p> <p><b>PACE Indicator:</b> No</p> <p><b>Underwriters</b></p> <p><b>Underwriter Approval Date:</b> 03 / 29 / 16</p> <p><b>Underwriter ID:</b> ZFHA</p> <p><b>Appraisal Underwriter:</b> UI23</p> <p><b>Scorecard Decision:</b> Accepted</p>	<p><b>Sales Price:</b> 154000 .00</p> <p><b>Unpaid Principal Balance:</b> .00</p> <p><b>Principal Write-off Amount:</b> .00</p> <p><b>Total Income:</b> 3497 .00</p> <p><b>Total Fixed Payment:</b> 1356 .00</p> <p><b>Verified Assets:</b> 8686 .00</p> <p><b>Months in Reserve:</b> _____</p> <p><b>Interested Party Contributions Amount:</b> 0 .00</p> <p><b>Inducements to Purchase:</b> .00</p> <p><b>EIN Name:</b> _____</p> <p><b>Home Energy Score:</b> _____</p> <p><b>Manual Underwrite Stretch Ratios (EEH):</b> <input type="radio"/> Yes <input checked="" type="radio"/> No</p> <p><b>PACE Amount:</b> .00</p> <p><b>Name:</b> TOTAL SCORECARD UWRTR</p> <p><b>Name:</b> ROBERTSON, ROBERT</p> <p><b>Decision Date:</b> 03/28/2016</p>
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**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, click the lookup icon to view the details entered through the Secondary Financing function**

**Lookups**

**Notation indicates this is *not* a HOPE for Homeowners case**

**TOTAL Scorecard Emulator**

**TOTAL Scorecard Emulator Comparison Data**

**HOPE Loan Information: Not a HOPE case**

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

- o *Referred*: Borrower determined a possible bad risk for the loan amount, requiring full, manual underwriting by the lender
- o *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 6**)) 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**.
- 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.

**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 II. Property Information and Purpose of Loan.

Complete this line if this is a refinance loan.					
Year Acquired	Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements	made to be made
	\$	\$			

← **Unpaid Principal Balance**

Figure 4a: Unpaid Principal Balance field input

**Current Housing Expense** appears on the **URLA - Fannie Mae Form 1003, Freddie Mac Form 65** in section V. Monthly Income and Combined Housing Expense Information.

V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION						
Gross Monthly Income	Borrower	Co-Borrower	Total	Combined Monthly Housing Expense	Present	Proposed
Base Empl. Income*	\$	\$	\$	Rent	\$	
Overtime				First Mortgage (P&I)		\$
Bonuses				Other Financing (P&I)		
Commissions				Hazard Insurance		
Dividends/ Interest				Real Estate Taxes		
Net Rental Income				Mortgage Insurance		
Other (before completing, see the notice in "describe other income." below)				Homeowner Assn. Dues		
				Other:		
<b>Total</b>	\$	\$	\$	<b>Total</b>	\$	

← **Sum of this column provides the amount for Current Housing Expense**

Figure 4b: Current Housing Expenses field input

VII. DETAILS OF TRANSACTION	
a. Purchase price	\$
b. Alterations, improvements, repairs	
c. Land (if acquired separately)	
d. Refinance (incl. debts to be paid off)	
e. Estimated prepaid items	
f. Estimated closing costs	
g. PMI, MIP, Funding Fee	
h. Discount (if Borrower will pay)	
i. Total costs (add items a through h)	

Required Investment is calculated by taking the Total costs, less the closing costs (or other credits paid by an interested third party), less the Mortgage Amount (with financed UFMIP)

Figure 4c: Current Housing Expenses field input

Information for the calculation of **Required Investment** is found on the **URLA** - Fannie Mae Form 1003, Freddie Mac Form 65 section VII. Details of Transaction.

**Interested Party Contributions Amount, Inducements to Purchase, and Total Requirements** may appear on the **URLA** - Fannie Mae Form 1003, Freddie Mac Form 65 in section VII. Details of Transaction.

VII. DETAILS OF TRANSACTION (cont'd)	
k. Borrower's closing costs paid by Seller	
l. Other Credits (explain)	
m. Loan amount (exclude PMI, MIP, Funding Fee financed)	
n. PMI, MIP, Funding Fee financed	
o. Loan amount (add m & n)	
p. Cash from/to Borrower (subtract j, k, l & o from i)	

Interested Party Contributions Amount

Inducements to Purchase

Total Requirements

Figure 4d: Interested Party Contributions, Inducements to Purchase, and Total Requirements field inputs

Information on the **Inducements to Purchase** field is also found on the **Uniform Residential Appraisal Report (URAR)** - Fannie Mae Form 1004, Freddie Mac Form 70 (**Figure 4d**).

C O N T R A C T	<input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.		
	Contract Price \$	Date of Contract	Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s)
	Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, report the total dollar amount and describe the items to be paid.		
	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Inducements to Purchase</div>		

Figure 4e: Inducements to Purchase

Information for the following **Worksheet Information** fields may be obtained from the **FHA Loan Underwriting and Transmittal Summary** - form HUD-92900-LT (**Figure 4e**):

- 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

**Note:** For purchase cases, if the **Interested Party Contributions %** is greater than six percent (6%) (**Figure 4**), 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.

### FHA Loan Underwriting and Transmittal Summary

See back of page for Public Burden and Sensitive Information statements

### U.S Department of Housing and Urban Development

Office of Housing Federal Housing Commissioner

OMB Approval No. 2502-0059  
expires (04/30/2017)

**Borrower and Property Information** FHA Case No. \_\_\_\_\_ SOA \_\_\_\_\_

Borrower Name \_\_\_\_\_ SSN: \_\_\_\_\_  
 Co-Borrower Name \_\_\_\_\_ SSN: \_\_\_\_\_  
 Property Address \_\_\_\_\_

**Property Type** (check only 1)

 1 Unit     2 Units     3-4 Units  
 Condominium     Co-op  
 Manufactured Housing

**Additional Property Information**

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, or 10 yr  
 ARM Index \_\_\_\_\_  
 ARM Margin \_\_\_\_\_  
 Int. Rate Buydown

**Loan Purpose** (Check all that apply)

 Purchase  
 No Cash-Out Refinance  
 Cash-Out Refinance  
 Streamline Refinance:  
 w/appraisal  
 w/o appraisal  
 Construction-to-Permanent  
 Energy Efficient Mortgage  
 Building On Own Land  
 HUD REO  
 203(k)  
 Other

**Secondary Financing**

Source/EIN \_\_\_\_\_  
 Gov't     NP     Family  
 Other

Amount of Secondary Financing \$ \_\_\_\_\_

**Gifts** Seller Funded DPA  Y/N

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 UFMP \$ \_\_\_\_\_  
 Total UFMP \$ \_\_\_\_\_  
 Mortgage w/ UFMP \$ \_\_\_\_\_

Interest Rate \_\_\_\_\_ %  
 Qualifying Rate \_\_\_\_\_ %  
 (1Yr. ARM)  
 Loan Term (in months) \_\_\_\_\_

**Underwriting Information**

Monthly Income			Proposed Monthly Payments			
	Borrower	Co-Borrower	Total	Borrower's Primary Residence		
Base Income	\$ _____	\$ _____	\$ _____	First Mortgage P&I	\$ _____	
Other Income	\$ _____	\$ _____	\$ _____	Monthly MIP	\$ _____	
Net Rental Income	\$ _____	\$ _____	\$ _____	HOA Fee	\$ _____	
Total Income	\$ _____	\$ _____	\$ _____	Lease/Ground Rent	\$ _____	
				Second Mortgage P&I	\$ _____	
				Hazard Insurance	\$ _____	
				Taxes & Special Assessments	\$ _____	
				Total Monthly Payment	\$ _____	

**Debts & Obligations**

	Monthly	Total
Total Installment debt	_____	_____
Child Support	_____	_____
Negative Rental Cash Flow	_____	_____
All other monthly payments	_____	_____
Total Fixed Payment	_____	_____

**Borrower Funds to Close**

	Borrower	Co-Borrower
Required	\$ _____	\$ _____
Verified Assets	\$ _____	\$ _____
Closing Costs	\$ _____	\$ _____
Source of Funds	_____	_____
No. of Months in Reserves	_____	_____
Seller Contribution	_____ %	_____ %

**Qualifying Ratios**

	Borrower	Co-Borrower
LTV	_____ %	_____ %
CLTV (if 2nd permitted)	_____ %	_____ %
Mortgage Payment -to- income	_____ %	_____ %
Total Fixed Payment-to-income	_____ %	_____ %

**Underwriter Comments**

Underwriter's signature & date (if required) \_\_\_\_\_  
 X \_\_\_\_\_

Underwriter Approval Date \_\_\_\_\_

CHUMS ID# \_\_\_\_\_

Risk Assessment

Scored by TOTAL?  yes  no    Risk Class  AA or  Refer

CHUMS ID# for Reviewer of appraisal \_\_\_\_\_

(Required for loans scored by TOTAL with risk class AA or loans where the appraisal and credit reviews are performed by different underwriters.)

GCC - 92900LT -1(06/11)    form HUD-92900-LT (5/2008)

Figure 4f: Other Worksheet Information field inputs

If energy efficient improvements are factored into the mortgage, get the **EEM Improvement Amount** and **Energy Efficient Mortgage** information from the **FHA Loan Underwriting and Transmittal Summary - Form HUD-92900-LT (Figure 4e)**, **Home Energy Rating Systems (HERS)** report, and **URLA - Fannie Mae Form 1003, Freddie Mac Form 65, VII Details of Transaction**. 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).

### Affordable Housing / Community Land Trust Information Section

The **Affordable Housing / Community Land Trust Information** section of the Insurance Application Update page is provided in **Figure 5**. This section is not currently being used and data entry is not allowed. However, information is being provided here for future reference purposes.

**\* Affordable Housing / Community Land Trust Information \***

Is this loan under an Affordable Housing Program: N/A ? If Yes, EIN of Affordable Housing Provider:  -  ?

Is this property part of a Community Land Trust: N/A If Yes, EIN of Community Land Trust:  - 

If this property uses either Affordable Housing or exists in Community Land Trust:

(a) Are there any legal restrictions on the property? N/A

(b) If yes, do any legal restrictions on conveyance survive if title to the mortgage property is transferred by:

(1) foreclosure or (2) deed-in-lieu of foreclosure or if mortgage is assigned to the Secretary? N/A

Figure 5: Affordable Housing / Community Land Trust section of Insurance Application Update

To determine the fields related to this section of the Insurance Application Update page, refer to the case binder and **Insurance Application** online **Help**.

**Note:** If an affordable housing or community land trust was used, it must first be established in HUD’s system through the future Affordable Housing Providers or Community Land Trusts function on the **FHA Approval Lists** menu.

## Borrower Information Section

The **Borrower 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 6a-6d**.

**\* Borrower Information \***

**Borrower 1**

Name:  SSN/TIN:   -  -  Date of Birth:  /  /

Borrower Information:  Ethnicity:

Race(s): American Indian:  Asian:  Black:  Native Hawaiian:  White:  Sex:

Credit Scores: Experian/FICO:  Equifax/Beacon®:  TransUnion/Empirica®:

Note: For Borrowers 2-5, the fields are identical to those shown above for Borrower 1 and are not included in this illustration.

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:

Veterans Preference:  Yes  No      Counsel TIN:  -

Application Received by:

Figure 6: Borrower Information section of Insurance Application Update

### Borrower Information Section – Processing Tips

Tips for completing the **Borrower Information** section of Insurance Application Update (**Figure 6**) include:

- 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.

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 6a-6d** show the fields on the **URLA - Fannie Mae Form 1003, Freddie Mac Form 65 (and URLA Addendum)** that relate to the specific fields of the **Borrower Information** section of Insurance Application Update. The callouts pointing to the fields on the **URLA** are the field names found in the **Borrower Information** section of Insurance Application Update.

Borrower				III. BORROWER INFORMATION				Co-Borrower			
Borrower's Name (include Jr. or Sr. if applicable)				Co-Borrower's Name (include Jr. or Sr. if applicable)				Coborrower Name			
Social Security Number		Home Phone (incl. Area code)	DOB (mm/dd/yyyy)	Yrs. School	Social Security Number		Home Phone (incl. Area code)	DOB (mm/dd/yyyy)	Yrs. School	Date of Birth	
<input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried <small>(include single, divorced, widowed)</small>		Dependents (not listed by Co-Borrower) no.   ages		<input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried <small>(include single, divorced, widowed)</small>		Dependents (not listed by Borrower) no.   ages		<input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried <small>(include single, divorced, widowed)</small>		Marital Status	
Present Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent   ___ No. Yrs.				Present Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent   ___ No. Yrs.				Marital Status			
Number of Dependents				Renting		Years Renting		Marital Status			

Figure 6a: Borrower information appears on the left; Coborrower information appears on the right

Borrower		IV. EMPLOYMENT INFORMATION		Co-Borrower	
Name & Address of Employer <input type="checkbox"/> Self Employed		Yrs. on this job		Name & Address of Employer <input type="checkbox"/> Self Employed	
Self-employed		Yrs. employed in this line of work/profession		Yrs. on this job	
		Years at Current Job		Yrs. employed in this line of work/profession	

Figure 6b: Borrower employment information

Figure 6c below shows where to find ethnicity, race, and sex information if furnished by the borrower.

X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES			
The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may not discriminate either on the basis of this information, or on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, under Federal regulations, this lender is required to note the information on the basis of visual observation and surname if you have made this application in person. If you do not wish to furnish the information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type of loan applied for.)			
<b>BORROWER</b> <input type="checkbox"/> I do not wish to furnish this information		<b>CO-BORROWER</b> <input type="checkbox"/> I do not wish to furnish this information	
Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino		Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	
Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White		Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	
Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male		Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male	
<b>To be Completed by Interviewer</b> This application was taken by: <input type="checkbox"/> Face-to-face interview <input type="checkbox"/> Mail <input type="checkbox"/> Telephone <input type="checkbox"/> Internet		Interviewer's Name (print or type)	
		Name and Address of Interviewer's Employer	

Figure 6c: Borrower information appears on the left; Co-borrower information appears on the right

The **First Time Home Buyer** indicator is found on the **Addendum to URLA - VA Form 26-1802a/ HUD-92900-A (Figure 6d)**. If the borrower was counseled, refer to the **Certificate of Housing Counseling** form HUD-9911 for the **Counsel Type** and **Counsel TIN** fields.

Figure 6d: First Time Home Buyer information source

18. First Time Homebuyer?

a.  Yes

b.  No

Other source documents can be used, such as the IRS form **W-8** for the **Exempt from SSN** field and the **Certificate of Veteran Status** for the **Veterans Preference** field.

### Mortgage Information Section

The **Mortgage Information** section of Insurance Application Update appears in **Figure 7**, followed by processing tips. Key portions of the forms used as sources of information for completing this section are illustrated in **Figures 7a-7b**.

\* 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	CLTY Total (%):	96.50
Principal Reduction:	<input type="radio"/> Yes <input checked="" type="radio"/> No	CLTY Subject to Limit (%):	96.50
Current Payments:	<input checked="" type="radio"/> Yes <input type="radio"/> No	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 7: Mortgage Information section of Insurance Application Update

### Mortgage Information Section - Processing Tips

Tips for completing the **Mortgage Information** section of Insurance Application Update (**Figure 7**) 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 (not to exceed \$20,000). 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 (%)
  - CLTV Total (%)
  - CLTV Subject to Limit (%)

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.

**Mortgage Information Section – Sources of Information**

Figures 7a-7b show 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 pointing to the fields on the **FHA Loan Underwriting and Transmittal Summary** are the field names found in the **Mortgage Information** section of Insurance Application Update.

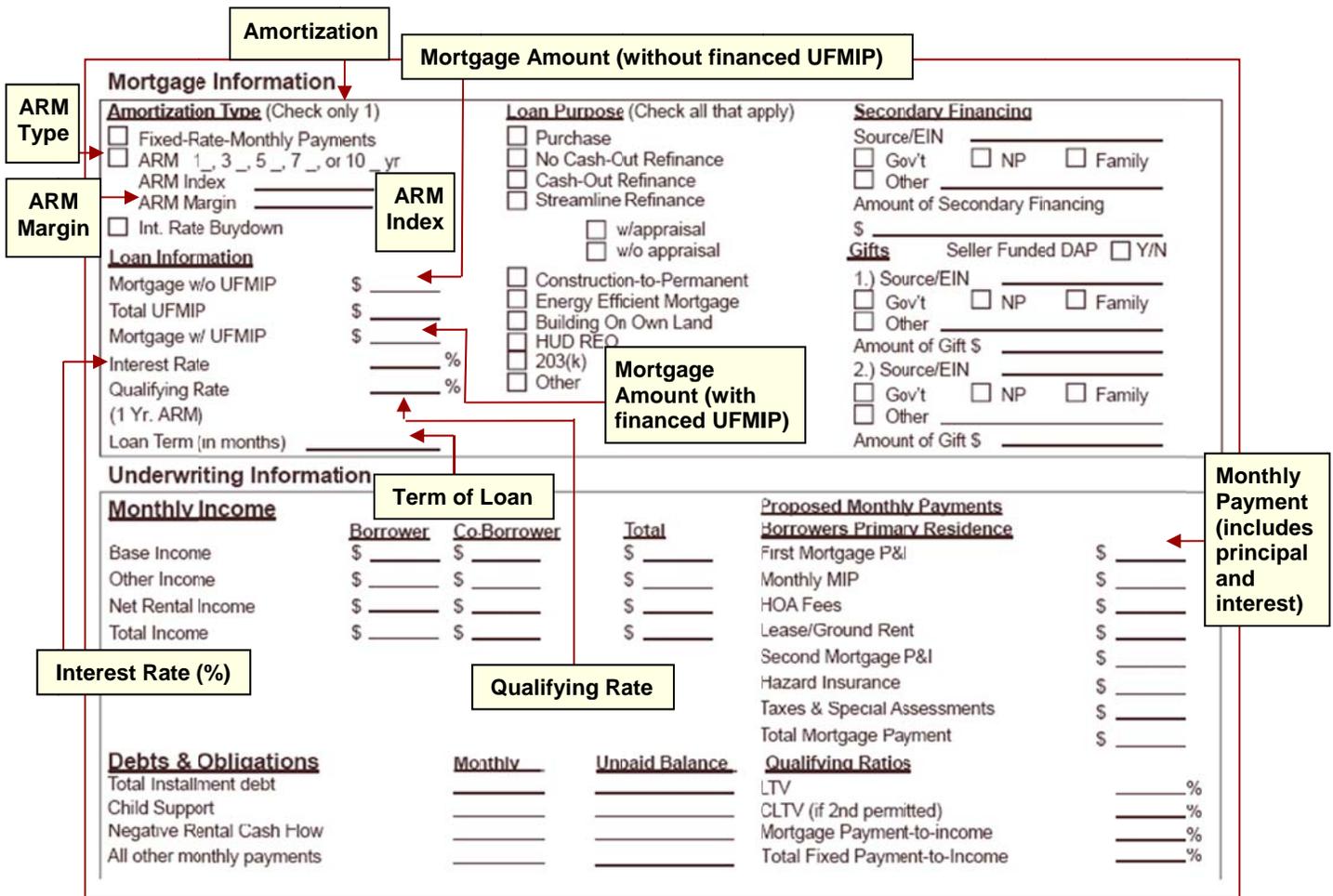


Figure 7a: Mortgage Information source

The URLA - Fannie Mae Form 1003, Freddie Mac Form 65 (Figure 7b) also provides the information needed for the **Amortization** and **ARM Type** fields of the **Mortgage Information** section.

I. TYPE OF MORTGAGE AND TERMS OF LOAN					
Mortgage Applied for:	<input type="checkbox"/> VA <input type="checkbox"/> USDA/Rural Housing Service <input type="checkbox"/> FHA <input type="checkbox"/> Conventional <input type="checkbox"/> Other (explain):		Agency Case Number	Lender Case Number	
	Amount \$	Interest Rate %	No. of Months	Amortization Type:	ARM Type
			<input type="checkbox"/> Fixed Rate <input type="checkbox"/> Other (explain): <input type="checkbox"/> GFM <input type="checkbox"/> ARM (type):		

Figure 7b: Source for Amortization field

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** (URAR - Fannie Mae Form 1004, Freddie Mac Form 70)
- **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.

### Endorsement Information Section

HOC personnel complete the **Endorsement Information** section (Figure 8), 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 of 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, or
- case was issued a NOR and the LI lender resubmitted the case binder.

To find out more about the LI Forward program and applying for approval, refer to the following:

- HUD Housing Lender Insurance Program website: ([http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/lender/lendins](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/lender/lendins))
- **FHA Single Family Housing Policy Handbook** (Handbook 4000.1) (<http://www.allregs.com/tpl/Main.aspx>)
- **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 ([www.hud.gov/pub/chums/electronicCaseBinder.pdf](http://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 8**).

The screenshot shows the 'Insurance Application Results' page. At the top, there is a blue banner with the text 'Insurance Application Results'. Below this, a yellow callout box points to a message: '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, there is a section titled '\* Endorsement Information \*' which contains the following details:

Technical Review:	No	Insurance Date:	10/06/10
Insurance Decision:	Yes	Pre-endorsement Delinquency Status:	None
Insured by:	M23456		

A yellow callout box on the right side of the screenshot points to the endorsement information, stating: 'Endorsement information appears at the bottom of the page indicating the case is insured'.

Figure 8: 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:

- endorsed and issued a MIC, or
- 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.