



## Products Bulletin

### SECONDARY MARKETING 11-19

**DATE:** NOVEMBER 19, 2007  
**TO:** ALL SALES AND SUPPORT

TOPICS SUMMARY	
FHA	FHA SECURE**
VA	N/A
CONV	N/A

**\*\*\* New Program \*\*\***

**We are pleased to announce that effective today, Assurity Financial Services, LLC will offer “FHA Secure” financing for borrowers who qualify.**

**This initiative allows homeowners to refinance various types of ARMS that have recently “reset.”**

**Eligibility Highlights:**

\*The mortgage being refinanced must be a non-FHA Arm that has reset.

\*The mortgagor’s payment history on the non-FHA ARM must show that prior to the reset of the mortgage, the mortgagor was current in making monthly mortgage payments, i.e., the homeowner’s mortgage payment history during the 6 months prior to the reset showed no instances of making payments outside the month due.

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## Products Bulletin, Continued

\*Under certain conditions if there is sufficient equity in the home, FHA will insure mortgages that include missed mortgage payments. FHA will permit first liens, purchase money seconds, closing costs, pre-paids, discount points, prepayment penalties and late charges. The amount of the FHA Secure Mortgage may not exceed either the geographical maximum mortgage limits or the standard maximum LTV ratios set by FHA.

\*Lender must document that the reset of the non-FHA ARM monthly payments caused the mortgagor's inability to make the monthly payments and that the mortgagor has sufficient income and resources to make the monthly payments under the new FHA insured refinance.

\*FHA encourages the use of Total Mortgage Scorecard to obtain risk classification. If TOTAL renders an accept/approve, the underwriter will not need to perform review of the borrower's credit history and capacity to repay. In the more likely event that the risk class is a refer, the underwriter must determine borrower has the capacity to pay, and ratios should remain 31/43. Compensating factors are to be provided to underwriter when ratios are exceeded.

\*The FHA Secure initiative is for refinancing borrowers that were harmed by non-FHA ARMS that have recently reset. It is not to be used to solicit homeowners to cease making timely mortgage payments. FHA reserves the right to reject applications where it appears that a loan officer or other mortgage employee suggested that the homeowners could stop making their payments; refi into an FHA insured mortgage and keep, as cash, the amount of payments not made on time.

\*\*This program is temporary and requires applications to be signed no later than December 31, 2008.