

WINTRUST MORTGAGE™

BULLETIN # 09-1221-WC

December 21, 2009

BULLETIN HIGHLIGHTS:

- **ALL FHA PRODUCTS:**

- 300 FHA INSURED FIXED
- 301 FHA INSURED 1 YEAR
- 302 FHA INSURED 3 YEAR
- 307 FHA INSURED 5 YEAR
- 308 FHA INSURED FIXED HUD OWNED PROPERTIES WITH DOWN PAYMENT INITIATIVE
- 1000 - FHA INSURED FIXED, 1, & 3 YEAR

- **Appraisal Requirements Section:**

- Effective immediately with new purchases of loans closed on or after November 18, 2009, all FHA second appraisal requirements on high balance loans on properties in declining markets have been eliminated as outlined in the November 18, 2009, HUD Mortgagee Letter 2009-48 located at:

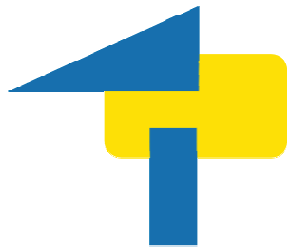
- <http://www.hud.gov/offices/adm/hudclips/letters/mortgagee>.

- Effective for case numbers assigned on or after January 1, 2010, and announced in HUD Mortgagee Letter 2009-51 located at:

- <http://www.hud.gov/offices/adm/hudclips/letters/mortgagee> FHA is adopting the dual purpose form, Appraisal Update and/or Completion Report, FNMA form 1004D/Freddie Mac® Form 442.

- Effective for case numbers assigned on or after January 1, 2010, and announced in HUD Mortgagee Letter 2009-29 located at:

- <http://www.hud.gov/offices/adm/hudclips/letters/mortgagee> FHA transactions where a borrower has switched lenders, the first lender must transfer the case to the second lender, including the appraisal report. A new appraisal may need to be ordered, but is only allowed under limited circumstances.



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BULLETIN # 09-1221-WC (Cont'd)

- **Appraisal Requirements Section (Cont'd):**
 - Effective for case numbers assigned on or after January 1, 2010, and announced in HUD Mortgage Letter 2009-28 located at: <http://www.hud.gov/offices/adm/hudclips/letters/mortgagee> FHA's long standing policy regarding the requirement for appraisers to be independent and impartial is restated. The requirements also bring FHA in line with conventional lending's HVCC requirements, designed to ensure collateral valuation for mortgage transactions are sound.
- **Age of Documents Section:**
 - Effective for case numbers assigned on or after January 1, 2010, and announced in HUD Mortgage Letter 2009-30 located at: <http://www.hud.gov/offices/adm/hudclips/letters/mortgagee> FHA appraisals have been reduced to 120 days. This requirement applies regardless of the property's construction stage (existing, new, under construction, or proposed).