

## FHA Announces Changes to HECM Loan Documents (ML 2010-07)

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### Notable Date:

Effective with case numbers issued August 1, 2010 or after

### Industry Participants Affected:

All FHA Approved Lenders and HECM Counseling Agencies

### Synopsis:

The loan application form (Fannie Mae Form 1009) used for reverse mortgages was revised in July of 2009 to include additional data fields. The use of Form 1009 becomes mandatory on August 1, 2010. Lenders may no longer use the Uniformed Residential Loan Application (Fannie Mae Form 1003). Lenders must continue to complete the HUD/VA Addendum (HUD 92900-A).

The maximum claim amount definition has been revised in the model HECM Loan Agreement. The payment plan section of the HECM Loan Agreement, Exhibit 1 has also been amended. Minor changes were also made to Exhibit 2 of the HECM Loan Agreement.

Copies of the revised forms are attachments to this mortgagee letter.

### How does it change or benefit the industry:

The changes made to the Reverse Mortgage Loan Application Form and the HECM Loan Agreement provide additional clarity for borrowers regarding the terms of their reverse mortgage.

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### About this AllRegs HUD Mortgagee Letter Synopsis:

- This synopsis is intended as a "snap-shot" of the ML 2010-07, but should not be substituted for the entire contents of the actual Mortgagee Letter published by HUD.
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