

**Mortgage Insurance Premium Changes for FHA Loan**

Early last month FHA announced their intention to make changes to the upfront mortgage insurance premium as well as the annual premium on FHA Loans. The formal mortgagee letter was released yesterday. Initially this was to be implemented on September 7, 2010. Per the mortgagee letter, these changes will actually take place with all FHA Loan case numbers assigned on or after October 4, 2010. The net effect for the consumer is a higher monthly mortgage insurance premium which will increase their overall housing expense.

- Up Front FHA Loan Mortgage Insurance premium:

Currently: 2.25%

October 4: 1.00%

- Annual Mortgage Insurance Premium (collected monthly) with FHA loan terms > 15 years:

Currently: .50% for LTV's ≤ 95%

October 4: .85% for LTV's ≤ 95%

Currently: .55% for LTV's > 95%

October 4: .90% for LTV's > 95%

- Annual Mortgage Insurance Premium (collected monthly) with FHA loan terms ≤ 15 years:

Currently: 0% for LTV's ≤ 90%

October 4: No Change

Currently: .25% for LTV's > 90%

October 4: No Change

If you have Arizona buyers who will be closing within the next 60 days and are under contract now, you want to be sure the lender has secured their FHA Loan case number prior to October 4<sup>th</sup> to ensure the lower monthly mortgage insurance premium. Give me a call if you have any questions about this change or any Arizona mortgage programs.

Wishing you a Happy & Safe Labor Day weekend ~ Kelly

***Quote of the week: I believe in the dignity of labor, whether with head or hand; that the world owes no man a livina but that it owes every man an opporitv to make a livina. ~ John D. Rockefeller***

	<b>Kelly L. Zitlow, CMPS®</b> Branch Manager Licensed Mortgage Professional NMLS # 164330	Tara Bradley Transaction Coordinator NMLS # 203298 Direct 480-398-4903 tbradley@ccmclending.com	
	Direct: 480-398-4908 E-Fax: 480-240-5324 Email: kzitlow@ccmclending.com Website: www.kellyzitlow.com	Karen Hunt Sr. Loan Processor Direct 480-398-4902 khunt@ccmclending.com	
	 EQUAL HOUSING LENDER	AZ BK #0904024	