



FHA Increases Mortgage Insurance Premiums FHA Loans Again!

To ensure FHA can continue its historic role of providing home financing during periods of economic volatility, they will be increasing their annual mortgage insurance premiums this coming April. As noted in President Obama's 2012 Budget, FHA will increase their premiums by 25 basis points on FHA Loans.

For all FHA Loan case numbers assigned on or after April 18, 2011, the following will apply:

- Up Front Mortgage Insurance premium:

Currently: 1.00%

April 18: No Change

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

Currently: .85% for LTVs = 95%

April 18: 1.10% for LTVs = 95%

Currently: .90% for LTVs > 95%

April 18: 1.15% for LTVs > 95%

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

Currently: 0% for LTVs = 90%

April 18: .25% for LTVs = 90%

Currently: .25% for LTVs > 90%

April 18: .50% for LTVs > 90%

The net result of this change.....going forward FHA loans will have higher monthly payments. With short sales extending the buy cycle, it is prudent for lenders to keep the *pending mortgage insurance increase in mind* when pre-qualifying FHA Loans. I do my best to anticipate potential hurdles with our Arizona clients and implement a strategy to overt those hurdles if possible! Educating Arizona FHA Loan buyers and clearly communicating the specifics leads to successful homeownership and happy closings.

As always, don't hesitate to contact me with any questions you have about this FHA Loan update or any of my previous Arizona Mortgage updates. As a reminder, an archive of my weekly updates can be found on my website www.kellyzitlow.com under Arizona Mortgage Resources; Arizona Mortgage Blog & Newsletter Updates.

~ Kelly

Quote of the Week: You can't wait for inspiration. You have to go after it with a club. ~ Jack London



Kelly L. Zitlow, CMPS®
 Branch Manager
 Licensed Mortgage Professional
 NMLS # 164330

Direct: 480-398-4908
 E-Fax: 480-240-5324
 Email: kzitlow@ccmclending.com
 Website: www.kellyzitlow.com

 EQUAL HOUSING LENDER AZ BK #0904024

Tara Bradley
 Transaction Coordinator
 NMLS # 203298
 Direct 480-398-4903
tbradley@ccmclending.com

Karen Hunt
 Sr. Loan Processor
 Direct 480-398-4902
khunt@ccmclending.com