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To: HOMEOWNERSHIP-L@hudlist.hud.gov

Wed, Dec 21, 2011 at 2:55 PM

ATTN: FHA Single Family Housing Lenders

NOTICE REGARDING CASE NUMBER CANCELLATIONS and request for new case numbers for loans on which case numbers were issued prior to November 18, 2011 that are now eligible for the higher loan limits that took effect November 18, 2011.

This announcement clarifies and replaces the announcement dated 12/14/2011 titled: NOTICE REGARDING CASE NUMBER CANCELLATIONS.

Case Number Assignments Eligible for Cancellation and Request for New Case Number: This option is only available for transactions where the borrower and property remain the same and the new case number is only required because the borrower is eligible for the higher loan limits in effect November 18, 2011.

Lenders may request a case number cancellation only for loans that have not yet closed. Lenders must submit their request to the jurisdictional Homeownership Center (HOC) via the relevant electronic mailbox below. Fax requests are no longer accepted by FHA.

- Denver: Send request to email box: denhocinsure@hud.gov
- Philadelphia: Send request to email box: PHOCInsure@hud.gov
- Santa Ana: Send request to email box: snahocinsure@hud.gov
- Atlanta: Send Request to email box: ATLInsurance&Underwriting@hud.gov

Your request must include in the subject line of the electronic mail:

- type of request (i.e. case number cancellation), and
- case number that you wish to cancel.

For example, your e-mail subject line should read, "Case Number Cancellation / ###-#####".

Lenders must also include the lender's name, phone number, email, contact name and reason for cancellation request (in this case reason would be that the borrower is now eligible for a higher loan

limit) in the text of the e-mail. The loan file documentation must also support the change in loan amount that required the request.

NOTE: Lender requests for case number cancellations will be processed as they are received in the electronic mailbox. Lenders may only request one case number cancellation per e-mail. HOCs will not process your request for case number cancellation if more than one case number cancellation is requested in an e-mail. Failure to follow these instructions will result in delays in processing.

Processing loans for which case numbers were cancelled and new case numbers assigned:

For all loans where case numbers were cancelled in accordance with the above policy, the lender may continue processing the loan under a newly assigned case number. FHA will permit the lender to use the loan application and supporting documentation processed under the cancelled case number subject to the following conditions:

- Total scorecard is re-run with all updated loan information.
- Unexpired credit reports may be used if the lender notates in the file the reason for the credit report predating the issuance the newly assigned case number.
- The appraisal from the cancelled case number may also be utilized only if it complies with FHA guidance on valid appraisals. If the lender uses the appraisal from the cancelled case number, the lender is instructed to:
 - o Notate the file with the reason the appraisal date precedes the new case assignment date.
 - o Strike the cancelled case number on the appraisal and enter the new case number on the appraisal.
 - o Certify the effective date of the appraisal in the "User Confirmation" statement on the Appraisal Logging in screen. See: https://entp.hud.gov/pdf/mp_sfo03_apprlog.pdf for further information on completing the appraisal logging screen.

If you have questions concerning this guidance, please contact the jurisdictional HOC for assistance.