

1. Why would a Borrower want to refinance their HECM to another HECM? Answer- To get a lower rate and a different HECM product.
2. Do condominiums need to be FHA approved for a HECM Borrower? Answer- Yes.
3. If a borrower wants to obtain HECM financing when they turn 62 years of age, however, their spouse is not 62, but in title, are they still eligible to receive a HECM? Answer- The spouse that was not 62 years of age would need to be taken off of title before the spouse who is 62 can obtain a HECM.
4. Does the HECM Saver program allow the borrower to save on the ufmip? Answer- Yes.
5. Is it mandatory to pay for counseling upfront, or can they pay at closing? Answer- No, they can pay at closing.
6. Is it acceptable to take the initial application when the borrower is 61 years of age if they will be 62 years of age by closing? Answer- No, borrower has to be 62 years of age at time of application.
7. Does the servicing lender have the discretion to delay a foreclosure on a property if the borrower is trying to obtain a HECM? Answer- HUD would not get involved if the servicing lender chooses to do this.
8. Can a property that is located in a Flood zone be eligible for HECM financing? Answer-Yes
9. What are the allowable costs that a seller can give the borrower when they are doing a HECM? Answer- Seller cannot give any credits towards prepaids and closing costs.
10. Are manufactured homes eligible for HECM financing? Answer- Yes
11. On a HECM for purchase, can any of the closing costs and prepaids be paid by the lender? Answer-No.
12. Is there a limit on gift funds? Answer- No.
13. Can a counselor sign the HUD-92902 electronically? Answer-No
14. How long does a Borrower need to be in title to obtain HECM financing? Answer-As long as a borrower is in title to the property, they can obtain HECM financing.
15. If the borrower has a CAIVRS claim on a prior HECM, how long do they have to wait to obtain financing for another HECM? Answer- 3 years for the claim paid date.
16. Is a termite/soil treatment required on new construction HECM purchases? Answer- No, only a Certificate of Occupancy is required on Existing New properties. Note- under Construction, and proposed homes are not eligible to obtain HECM financing.
17. Can a borrower obtain HECM financing on a 2<sup>nd</sup> home? Answer- No.

18. If a borrower lives in a warm state half of the year, and another state during winter, can they still receive a HECM on either property? Answer- Borrower can only receive a HECM on their principal residence. Principal residence is defined as occupying for more than half the calendar year.

19. If a HECM borrower had a foreclosure on a previous property that had conventional financing, can they obtain a HECM on their new current residence, and 2 years have not passed? Answer-Yes.

20. Can a seller still pay for the owner's policy on a HECM for purchase? Answer- No.