



## MEMORANDUM

**DATE:** January 14, 2005

**TO:** Reverse Mortgage Lenders and Servicers

**FROM:** Jef Kinney  
Vice President, Single Family Business

**SUBJECT:** Streamlined Refinanced Home Equity Conversion Mortgage (HECM)

Effective January 14, 2005, Fannie Mae will purchase, subject to the below criteria, "streamlined" Refinanced FHA Home Equity Conversion Mortgages (HECMs) with reduced mortgage insurance premiums (MIP) as described in HUD's Notice in the Federal Register (December 15, 2004, 24 CFR Part 206, Final Rule) and HUD Mortgagee Letter 2004-18.

However, the following categories of loans are ineligible for purchase by Fannie Mae under the Streamlined Refinanced HECM option:

- ❑ The loan being refinanced is one for which:
  - the borrower currently is in default for not paying taxes and/or insurance, and the servicer has secured an insurance policy and/or has paid taxes and/or insurance on the borrower's behalf, and
  - the borrower has not cured this condition (code 51);
- ❑ The loan being refinanced is one for which:
  - the borrower currently is in default for not completing required property repairs within one year pursuant to the repair rider, and
  - the borrower has not cured this condition.

### Delivery Instructions:

When delivering eligible Streamlined Refinanced HECMs through eBoutique, the lender must add the prefix "REFI" (all caps) in front of the lender loan ID number to indicate that the loan is an eligible Streamlined Refinanced HECM.

If you have any questions, please contact David Carey at (978) 468-9932, or Kathy Hardy at (202) 752-2301, or email [david\\_s\\_carey@fanniemae.com](mailto:david_s_carey@fanniemae.com) or [kathleen\\_m\\_hardy@fanniemae.com](mailto:kathleen_m_hardy@fanniemae.com).