



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

**September 23, 2009**

**MORTGAGEE LETTER 2009-34**

**TO: ALL APPROVED MORTGAGEES**

**SUBJECT: Home Equity Conversion Mortgage (HECM) – Principal Limit Factors**

This Mortgagee Letter announces a new set of principal limit factors (PLFs) for the Federal Housing Administration (FHA) HECM program, to assist with the viability of the program. The new principal limit factors must be used for all HECMs for which the FHA case number is assigned on or after October 1, 2009.

Principal Limit Factor Table

FHA is making the new factor table available on HUD's web site, to assist lenders, counselors, and other involved in FHA's reverse mortgage program with immediate implementation of this program change. The new table may be uploaded or copied from the site directly into any reverse mortgage technology systems or tool used to support the HECM program. The new PLF table is posted on the following web site:

<http://www.hud.gov/offices/hsg/sfh/hecm/hecmhomelenders.cfm>

Pipeline of HECMs

All loans for which the FHA case number has already been assigned as of September 30, 2009 may be processed as usual. The lender need not change any of the calculations of principal limit or re-disclose to borrowers any changes in the HECM proceeds that the borrower will receive.

If you have any questions regarding this Mortgagee Letter, please contact the FHA Resource Center at 1-800-CALL-FHA (1-800-225-5342). Persons with hearing or speech impairments may access this number via TTD/TTY by calling 1-877-TDD-2HUD (1-877-833-2483).

Sincerely,

David H. Stevens  
Assistant Secretary for Housing-  
Federal Housing Commissioner

**Paperwork Reduction Act**

Paperwork reduction information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2502-0059. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB Control Number.