



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

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