

TOWNE MORTGAGE COMPANY

BULLETIN

TO: Our Valued Clients

DATE: June 28, 2016

SUBJECT: FHA Limited 203K Change

BULLETIN: 16-14

***** IMPORTANT NOTICE *****

FHA has made the following changes to the Limited 203k program effective with case numbers assigned on or after June 30th, 2016.

Written Proposal and Cost Estimates effective for case numbers assigned on or after June 30, 2016:

The written proposal must indicate Work Items that require permits and state that repairs are non-structural. This means the contractor must address **each** individual work item and state whether permits are required by the local building authority and state the work item is non-structural. Bids will not be accepted unless the above is complied with. Special emphasis and scrutiny will be placed on items such as electrical, plumbing, HVAC, and roofs as most of these require permits for repair or replacement. The Cost Estimate must also state the nature and type of repair and cost for each Work Item, broken down by labor and materials.

Any items considered structural such as removal of walls, floor joist repair, and basement wall bracing or supports will require the loan be converted to a full 203k.

Please contact your Account Executive with any questions.

Thank you,
Operations Group
Towne Mortgage Company