

## Getting Started With a FHA Loan Submission

### Who Can Originate?

PMC BanCorp will accept FHA Loan Submissions from Clients who are approved through the Housing and Urban Development (HUD) Agency. **PMC BanCorp will accept originated loans from Loan Correspondents (“Mini Eagle”) Only (We do not accept Non-Supervised Mortgagees, “Full Eagle”)**

### What FHA Programs are available?

There are numerous types of FHA programs available. PMC BanCorp is currently providing:

- FHA 203 (B) – new or existing 1-4 unit Single Family Homes.
- FHA 234 (C) – Condominiums (must be a HUD approved project).

Terms:

- o FHA Fixed Rate: 15 or 30 Years
- o ARM: 30 year (1/1, 3/1, 5/1) for Standard FHA Only

More details available: [http://www.pmcmtg.com/Forms/Products/FHA\\_Loan\\_Guides.pdf](http://www.pmcmtg.com/Forms/Products/FHA_Loan_Guides.pdf)

### Where do I send the Loan?

Before the FHA loan is processed and underwritten, two requirements must be met:

- 1) Must become FHA approved with PMC BanCorp
  - a. Must be an Approved Business Partner (PMC Approved Client),
  - b. Must execute a FHA Sponsorship Addendum,  
Available: <http://www.pmcmtg.com/Resources/Files/FHASponsorshipAddendum.pdf>
  - c. Submit FHA Sponsorship Addendum and HUD Approval Letter to the Broker Approval Dept (email: [gary\\_morella@pmcmtg.com](mailto:gary_morella@pmcmtg.com) or fax: 626.956.0672)
    - **Loan Correspondents (“Mini Eagle”) must request for their company to be added via FHA Connection by completing the FHA Sponsorship Addendum.**
- 2) Must have a minimum FHA loan package: FHA Submission Form  
Available: <http://www.pmcmtg.com/Resources/Files/FHAWholesaleSubmissionForm.pdf>

An FHA Approval Notice will be sent once the FHA Application has been processed by the Broker Approval Department. All submissions should first be submitted to your Account Executive. Any loans not meeting these two requirements will be placed on hold until they are completed.

## Frequently Asked Questions

### **How do I get HUD Approval?**

Full details are available through HUD website: <http://www.hud.gov/offices/hsg/sfh/lender/lendappr.cfm> (Title II Lender Application Package).

#### FHA Sponsorship Requirements:

- Net Worth: \$63,000 plus \$25,000 for each additional branch office
- Liquid Assets: All mortgagees must maintain liquid assets (cash or readily liquefiable cash, etc.) of 20% of their net worth – up to a maximum of \$100,000
- Staffing: The office must staff at least three (3) employees that conduct mortgage activities and be open to the public during normal business hours. All employees of the mortgagee, except the receptionist, must be exclusively employed and conduct only mortgage business during normal business hours
- Quality Control: The mortgagee must have a QC Plan in writing and maintain an on-going quality control plan
- Business Changes: All changes to business operations (Corporate changes may include liquidation, termination, name change, location change, or changes to principals or executives) are to be reported within ten (10) days.

### **Which Approval Type should my company apply for?**

Full details of each Approval Types can be found here:

<http://www.hud.gov/offices/adm/hudclips/handbooks/hsg/4060.1/40601c1HSGH.pdf>

The answer will be dependent on each individual company.

### **Which states can I originate FHA loans in?**

A general rule to note is that for each state, two basic requirements must be met: state approval and HUD approval. A client must be licensed or authorized to originate loans in that state (state approval), and they must also be approved by HUD to originate FHA loans in that particular state (HUD approval).