

******NJHMFA Bulletin**** FHA Mortgagee Letter 2013-14******
June 14, 2013

Effective for all FHA first mortgages closing with a NJHMFA Smart Start second mortgage on July 1, 2013 and after the following procedure will be in place to satisfy the requirements of FHA Mortgagee Letter 2013-14.

1. When a FHA first mortgage with a Smart Start second mortgage is approved by a NJHMFA underwriter the underwriter must complete the Smart Start Award & Legally Binding Obligation Letter (aka – the Letter) and print it in duplicate on NJHMFA letterhead.
2. The underwriter will give both copies of the Letter to the Single Family Division’s administrative assistant. The administrative assistant will present the Letter to the Single Family Division’s Sr. Director for signature. FHA calls an ink signature a “wet” signature. FHA at this time will not accept an electronic signature or a stamped signature. If the Sr. Director is unavailable for signature an executive will be designated as the back-up signatory.
3. The administrative assistant will distribute one signed copy to the underwriter to place in the loan file and the administrative assistant will send the other copy to the lender in a priority overnight envelope for next day delivery.
4. The lender will receive the Letter and have the borrower(s) sign and acknowledge the Letter at the loan closing.
5. The lender will submit the Letter with original “wet” signatures with the final loan package for purchase.
6. The NJHMFA document reviewer will ensure that the Letter with original “wet” signatures is in the file. The loan may not be purchased without the Letter in file.

I have attached FHA Mortgagee Letter 2013-14 and copy of the Smart Start Award & Legally Binding Obligation Letter on NJHMFA letterhead for you to view.