

Gambling at Work?

There's A Lot at Stake if You're Still Using FHA.

If you're still originating loans with FHA, beware: you could be on the hook for a loss if the original loan was not originated in accordance with FHA requirements. Why? FHA may require lenders to indemnify, or reimburse, them for losses on problematic loans.

Previously, an indemnification was typically only required when a mortgage loss resulted from fraud; however, recent changes by FHA expanded those parameters to include indemnification for general non-compliance issues as well. It would also allow FHA to indemnify anytime during a five-year period, adding three years to its current two-year policy, and require lenders who originate with FHA to maintain a high loan performance level. In addition, there is proposed legislation that would require all loans that go delinquent within the first 24 months be investigated for deficiencies and require indemnification for any losses on loans out of compliance.

A safer, competitive loan option

Why risk the gamble? A loan with Genworth MI can mean significant savings over an FHA loan. And, Genworth will provide you with an industry-level commitment to transparent coverage terms, unparalleled service and added value that FHA cannot guarantee.

For every loan you originate, use our FHA Payment Comparison Tool at mortgageinsurance.genworth.com to compare MI pricing from Genworth to FHA. Enter your data and you'll receive

- A comparison of the total monthly P&I and MI payment;
- A comparison of the total MI payment over 5 years;
- Total MI Savings over 5 years;
- An alert if a loan falls outside of FHA limits,
- And, a competitive, alternative option to FHA.

For more information, contact your Genworth representative or the ActionCenter® at 800 444.5664.

What could cause FHA to indemnify?

- Fraud and misrepresentation
- Failure to verify or analyze creditworthiness, income and/or employment of the mortgagor
- Failure to verify the source of assets used for a down payment and/or closing costs
- Failure to address property deficiencies identified in the appraisal which could affect the health and safety of the occupants or the structural integrity of the building
- Failure to certify that the appraisal was done in compliance with FHA appraisal requirements.

