

To: LendingSpace Customers
Date: 12/26/18 – Updated 01/16/19
Subject: **Government Shutdown Impact**

Effective on December 22, 2018, the United States government has shut down. Due to Federal regulations prohibiting most government employees from working, some government lending programs will be affected. The lists below provides information relative to CONV, FHA, VA and USDA loans. If additional documentation is provided, this memo will be updated.

TEMPORARY 4506-T POLICY – CONVENTIONAL, FHA, VA, AND USDA

The processing of tax transcripts has resumed with the IRS, the suspension of the 4506-T transcripts has been removed. All polices remain in place for requirement of the 4506-T tax transcripts.

SOCIAL SECURITY NUMBER VALIDATION PROCEDURES

CONVENTIONAL, FHA, VA AND USDA (ALL PRODUCTS)

When data integrity issues pertaining to the borrower's Social Security number are identified on the AUS findings or the product requires SSA results, the loan cannot be cleared to close until satisfactory SSA results are received in the file.

JUMBO - NON-AGENCY (ALL PRODUCTS)

The current requirement to obtain SSA results is being suspended. All policies remain in place regarding the signing of the SSA-89. The conditions for the SSN results will remain on the approval letter and will only be removed when it is the last remaining condition.

FHA

A link to HUD's 2018 Contingency plan is located on the hud.gov home page. Once clear to close, FHA loans may close, and Flagstar will continue to purchase FHA loans from delegated correspondents.

Per the FAQ section of that document, the following FHA functions or systems will operate at partial or full capacity:

- HUD will endorse loans and lenders approved to insure under the Lender Insurance (LI) program may continue to insure loans. Due to significantly reduced staff, loans endorsed by HUD may experience extended turn times.
- The FHA Resource Center will remain open and lenders may continue to call in or email questions. Note: The Resource Center can answer general questions only. Questions that cannot be answered by Resource Center personnel or questions that are case specific may not be answered until the government re-opens.
- FHA Connection will be fully operational, so lenders may order case numbers and access the CAIVR data base.
- TOTAL Scorecard will be fully operational.
- HUD's website, including FAQs, mortgagee letter archives and handbooks will be fully accessible.



- FHA will continue to collect both up-front and annual mortgage insurance premiums, and lenders must continue to pay them.
- HUD homes will continue to be listed for sale and FHA contractors will handle the sale of HUD homes.

Per the FAQ section of HUD's Contingency Plan, FHA will **not** perform any of the following functions during the shut-down:

- Review and approve condominium projects
- Review and approve new FHA lenders
- Review and approve audited financial statements
- Perform lender re-certifications
- Post-endorsement technical reviews (PETRs)
- QAD audits
- Process incoming mail related to any of the above
- FHA Connection password re-sets that require HUD staff intervention

VA

The VA Home Loan Guaranty Program will operate as normal.

USDA – RURAL HOUSING

USDA will neither issue commitments, nor will they guarantee loans. Lenders may continue to submit loans to Flagstar for underwriting, but they cannot be cleared-to-close until the government re-opens and USDA issues a commitment.