



Correspondent Seller

FHA and USDA Late Charge Percentage Change

April 7, 2016

Impac previously published an Announcement regarding a change to the late charge percentage requirements for FHA loans. This was effective with FHA Case Number Assignments on and after March 14, 2016. The language regarding the late fee must indicate that the late fee percentage is based on the *overdue payment of principal and interest*. This requirement is based on revisions in the HUD Handbook (4000.1).

- **To be consistent, Impac will also require FHA's methodology for USDA loans.**
Going forward, any loan files submitted to Impac for purchase should reflect the new late charge payment calculation.

The late fee shows on Page 3 of the Loan Estimate and on Page 4 of the Closing Disclosure. You may want to verify with your document preparation vendor to ensure the appropriate verbiage is reflected on these documents for FHA and USDA loans, as well as any other required disclosure or document (e.g., the Note).

We thank you for continued business.

If you have any questions, contact your Relationship Manager at 888-850-0259 Option 1, or your Account Executive.