

WHOLESALE BULLETIN

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19W-067

Attention: AEs, Business Development Managers & Mortgage Brokers

August 02, 2019

Please take a moment to read the important information contained in this bulletin.

Included in this Bulletin: FHA Cash-Out Refinance Max LTV Reduction

FHA Issues Policy Guidance Reducing the Maximum Loan-To-Value and Combined Loan-To-Value Percentages on Cash-Out Refinance Mortgages

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2019-11](#), “*Maximum Loan-to-Value and Combined Loan-to-Value Percentages for Cash-out Refinance Mortgages*,” which announces the reduction of its current maximum loan-to-value (LTV) and combined loan-to-value (CLTV) percentages for cash-out refinance mortgages **from 85 percent to 80 percent**. The cash-out refinance guidance in today’s ML is **effective for mortgages with case numbers assigned on or after September 1, 2019**.

The new guidance puts FHA in alignment with Government Sponsored Enterprises’ (GSFA) policy regarding maximum LTV/CLTV percentages on cash-out refinances.

This policy guidance coincides with other policy changes issued today by Ginnie Mae. Read today’s [Press Release](#) from the Department of Housing and Urban Development (HUD) that addresses the changes at both FHA and Ginnie Mae.

Quick Links

- View Mortgagee Letter 2019-11 and all other archived Mortgagee Letters at: https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee
- View today’s joint FHA/Ginnie Mae Press Release and other archived Press Releases at: <https://www.hud.gov/press>