

MORTGAGE INSURANCE FOR DISASTER VICTIMS SECTION 203(h)

WHAT IS A 203(h)?

- It allows the Federal Housing Administration (FHA) to insure mortgages made by qualified lenders to victims of a major disaster who have lost their homes and are in the process of rebuilding or buying another home
- 100% financing, no down payment required
- Closing costs and prepaids must be paid in cash or paid through Premium Pricing
- The new property does not have to be located in disaster area of previous residence
- ARM financing available

WHO IS ELIGIBLE?

- Present residence must be uninhabitable. This is confirmed by insurance adjuster's claim report
- Available for both owners and renters whose residence was impacted by disaster
- Restricted to one-unit detached properties, approved condominiums and detached Planned Unit Developments



HOW DO YOU APPLY?

- Evidence loss of residence. Documented by driver's license, utility bills, phone bills, etc...
- All 203(h) files must include the President's declaration of disaster area
- Borrower's application for insurance must be submitted within one year of the disaster
- Refinance on a subject property is available for a 203(k)
- Mortgage Insurance Premium (MIP) is needed; Up Front MIP as well as a monthly MIP
- Program ID code is 02 in FHA Connection

WANT MORE INFO?

- See Mortgagee Letters:
 - 06-01
 - 05-33
 - 01-07
 - 99-11
- See HUD Handbooks:
 - 4155.1
 - 4000.2 REV 3
- Call 1-800-CALL-FHA
- E-mail info@fhaoutreach.com
- Go to <http://www.fema.gov/news/disasters.fema>