



Bulletin 15-03

Loan Payoff Interest Calculation on FHA Loans

FHA is changing its policy on the interest charged when an FHA loan is being paid in full. The new interest calculation applies when an FHA loan with a Note date of January 21, 2015 or after, is paid in full.

Currently when an FHA loan is paid off interest is collected through the end of the month regardless of the loan payoff date (e.g. if an FHA loan closes on January 5th, interest is charged through January 31st.)

The new per diem calculation aligns FHA policy with other agencies and interest will only be charged through the loan payoff date, **not** through the end of the month.

This new interest calculation only applies to loans with a **Note date on or after January 21, 2015**.

Payoff of Loans with a Note Date on or before January 20, 2015

- The current FHA policy, which charges interest for the entire month, regardless of the loan closing date, applies.

Payoff of Loans with a Note Date on or after January 21, 2015

- Interest will only be charged through the loan payoff date. Interest will no longer be charged beyond the loan payoff date (i.e. for the entire month).

If you have any questions, please contact your Account Executive.