



Bulletin 19-05

Payoff of a PACE Loan on FHA Transactions

HomeBridge has updated the FHA program guidelines to include the payoff of a Property Assessed Clean Energy (PACE) loan as eligible under both an FHA rate/term or cash-out refinance transaction.

The unpaid balance of a PACE loan may be included in the new loan amount when refinancing an FHA loan as a rate/term or cash-out transaction.

A PACE loan may **not** be paid-off under a Simple refinance transaction, and as a reminder, HUD will **not** insure a loan with an outstanding PACE loan; PACE loans are **ineligible** subordinate financing.

This improvement is eligible for both new submissions and loans currently in the pipeline.

The FHA Program guidelines have been updated with this information and posted on the HomeBridge website at www.HomeBridgeWholesale.com.

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