

Lender Insurance (LI) History

The Federal Housing Administration (FHA) established the Lender Insurance (LI) program on January 1, 2006. This program permits qualified FHA-approved Direct Endorsement (DE) lenders to endorse their mortgage loans for FHA insurance without a pre-endorsement review by the FHA. Instead, the lender performs its own pre-insurance review using personnel that did not originate or underwrite the mortgage. Lenders must meet LI eligibility requirements and be approved by HUD to participate in this program. Once approved, participating lenders must process and endorse all loans (except Home Equity Conversion Mortgage (HECM) loans) that they originate or underwrite under the LI program. This module provides general information regarding how the FHA Connection's **LI History** function can be used to monitor a lender's activity in the LI program.

Accessing LI History

Access to, and content presented on, a lender's LI History Details page is not available to other lenders. A lender may view only its own LI History information; however, authorized HUD personnel use LI History to view a lender's LI status and history, as well as add, update, and/or delete an LI action. The instructions that follow describe how to access a lender's LI History page.

1. After signing on to the FHA Connection, select **Lender Functions** from the FHA Connection main menu.
2. On the **Lender Functions** menu, select **Lender Insurance History**. The LI History Details page (**Figure 1**) is displayed for the lender associated with the individual currently signed on.

Note: The FHA Connection menu path appears as a "breadcrumb trail" in the red banner at the top of each function page.

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Lender Functions LI History

LI History Details Help Links ?

Lender information

Lender ID:	12345	LI Type:	FORWARD	REVERSE
Lender Name:	HAPPY HOME MORTGAGE COMPANY	LI Status:	Approval eBinder (MISMO)	N/A
Lender Address:	123 MAIN ST NEW BRITAIN, CT 06051	LI Status Date:	08/19/2008	N/A
Home Office ID:	1234509990	Current LI information		
Home Office HOC:	PHILADELPHIA			

FORWARD LI Activity for This Lender

	Start	End	Type	Compare Ratio	Compare Ratio Date	Processed by
1	08/19/2008	N/A	Approval eBinder (MISMO)	N/A	N/A	HUD HQ
2	04/18/2007	04/18/2008	Approval LI Paper	40%	08/31/2007	HUD HQ

Current and past LI activity information

Lender not authorized for REVERSE LI activity

Figure 1: LI History Details page

LI History Details Page Overview

Historical information regarding a lender's previous and current participation in the LI program is available using the LI History Details page (**Figure 1**). This page provides 1) the lender's current status and history in the LI Forward program, as well as 2) basic information about the lender, e.g., name, address, and the home office HOC that is primarily responsible for maintaining the lender's LI information.


Note: LI Reverse (HECM) program is not currently available.

The **LI Status** field indicates the lender's current status and action with respect to the LI Forward program. Primarily, this indicates the approved method for submitting a case binder when requested. Initially a lender participating in the LI program may submit only paper (hard copy) case binders to the HOC (*if requested*). However, lenders may be subsequently approved to submit electronic case binders using one of the following methods:

- **MISMO:** Closing package documentation is scanned and an XML file is produced using the Mortgage Industry Standards Maintenance Organization's (MISMO) ePackage SmartDoc standard (see <http://www.hud.gov/pub/chums/electronicCaseBinder.pdf> for more MISMO information).
- **Upload:** Closing package documentation is converted to a Portable Document Format (PDF) file and uploaded using the FHA Connection's **Case Binder Upload** function. A separate PDF file containing just the appraisal and contract documentation is also uploaded using this same function.

The LI history shown in **Figure 1** illustrates a lender that is now approved for electronic binder submissions using MISMO (**LI Status:** *Approval eBinder (MISMO)*) and the **Forward LI Activity for This Lender** section shows the lender's LI history as first approved for paper case binder submissions (**Type:** *Approval LI Paper*), followed by a later approval for electronic case binder submissions (**Type:** *Approval eBinder (MISMO)*).

Annually, each LI lender is checked to verify that it continues to meet LI lender requirements. However, a lender may be removed from the LI program at any time. All actions related to a lender's LI status are recorded on the LI History Details page, including the reason for removal from the LI program, if applicable (e.g., annual review, sanction, or withdrawn), and type of reinstatement approval if/when a lender is reinstated to the LI program. For example, if an LI sanction is imposed, the lender is suspended from the LI program and the **LI Status** would be *Sanction*, followed by the type of sanction. After the sanction period has ended, the lender can reapply for the LI program and be reinstated if approved. If reinstated, the **LI Status** would be *Reinstate*, followed by the approved method of submitting case binders when requested.

For a list of possible types of LI actions and a description of each, click **Help Links**  in the upper right corner of the LI History Details page and refer to the **Field Descriptions**.