



FHA- PACE loans

February 1, 2018

Due to the release of Mortgagee Letter 2017-18, Effective with case numbers issued on or after 1/8/18, Properties with PACE (HERO) type of obligations are no longer eligible for FHA insured mortgages.

PACE type obligations must be paid off on purchase and cash out refinance transactions and must be paid off (regardless of seasoning) on rate and term refinances.

Should you have any additional questions, please contact your department manager.