



UNLOCK YOUR DREAM HOME: RECLAIM YOUR PATH TO HOMEOWNERSHIP!

*FHA Eliminates MCR Screen for Rejected
Mortgage Applicants*

GREAT NEWS FOR HOMEBUYERS!

- Borrowers seeking FHA-insured loans can now breathe a sigh of relief. The Federal Housing Administration (FHA) has eliminated a roadblock that's been holding back potential homeowners.

WHAT'S CHANGING?

- Starting September 11, 2023, the FHA Connection system will no longer have a Mortgage Credit Reject (MCR) screen, where denied applications were previously posted.
- This means you can confidently pursue an FHA loan through another lender after an initial denial.

WHY THIS MATTERS?

- The FHA's goal is to improve access to credit for qualified borrowers. By removing the MCR screen, which didn't enhance risk management, they aim to eliminate an unnecessary barrier that often led other lenders to reject applicants who could have qualified for a loan.
- Borrowers no longer have to worry about lenders being scared away due to this flag. It's time to streamline the loan underwriting process and make homeownership more accessible.

IMPORTANT DATE:

- The waiver is in effect for all cases pending endorsement on or after Sept. 11, 2023, and will be a permanent policy in the future version of the Single Family Housing Policy Handbook 4000.1.