

**Mortgage Tidbits**

**Keeping you informed and in the know….**

**Seller Contribution/Interested Party Contributions (IPCs) for FHA Loans**

Interested parties are defined as a party with an interest in the transaction. This can include sellers, real estate agents, builders, developers, mortgagees, and/or third-party originators.

IPCs are allowed to contribute up to **6%** of the sales price toward the borrower’s fees. Known fees include:

* Origination fees
* Closing costs
* Prepaid items
* Discount points
* Payment of the Upfront Mortgage Insurance Premium (UFMIP)

However, if IPCs exceed the 6% allowance or the actual originations fees, closing costs, & discount points, that will be considered an inducement to the purchase.

Fees that are typically paid by the seller under local or state law or payment of real estate commissions are not considered IPCs.

**IPCs may not be used to pay any part of the borrower’s MRI (Minimum Required Investment).**

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