



# Application for Premium Refund or Distributive Share Payment

U.S. Department of Housing and Urban Development  
Office of Housing  
Federal Housing Commissioner



OMB Approval No. 2502-0414 (exp. 7/31/93)

Please print all information

Before completing this application, please read the guidelines for payment on the reverse side. If you decide you are not entitled to the premium refund or distributive share payment, please forward the application to the proper homeowner, if known, or return it to HUD.

1a. FHA Case Number		1c. Your Mailing Address	
1b. Address of the FHA Insured Property			
1d. Notice Number	1e. Termination Date: ...	1f. One-Time Premium Refund: \$	
1g. Source .....	1h. Original Mortgage: .. \$	1i. Distributive Share: .....	
1j. Address Key .....	1k. OTMIP Paid: .....	1i. Total Refund: .....	

Please Print

2. Date You Purchased the Property (mm/dd/yy): \_\_\_\_\_ Date Paid in Full (mm/dd/yy): \_\_\_\_\_

3a. Last Name (22 letters, max.):	3b. First Name (15 letters, max.):	3c. M.I.:
3d. Percentage of the Property You Owned:	3e. Social Security Number or EIN (include hyphens):	3f. Daytime Telephone (include area code):

4. Current Mailing Address: Complete only if your current mailing address is different from item 1c.

4a. (optional) "Attention of ..." or "Care of (c/o) ..." name (30 letters, max.):  
C/O

4b. Street (30 characters, max.):

4c. City (25 letters, max.): \_\_\_\_\_ 4d. State (2 letters): \_\_\_\_\_

4e. Zip Code (give all 9 digits if known): \_\_\_\_\_ 4f. If owner No.1 resides in a foreign country, give name of country (15 letters, max.): \_\_\_\_\_

Property Owner No. 2

5a. Last Name (22 letters, max.):	5b. First Name (15 letters, max.):	5c. M.I.:
5d. Percentage of the Property You Owned:	5e. Social Security Number or EIN (include hyphens):	5f. Daytime Telephone (include area code):

6. Current Mailing Address: Complete only if your current mailing address is different from items 1c & 4.

6a. (optional) "Attention of ..." or "Care of (c/o) ..." name (30 letters, max.):  
C/O

6b. Street (30 characters, max.):

6c. City (25 letters, max.): \_\_\_\_\_ 6d. State (2 letters): \_\_\_\_\_

6e. Zip Code (give all 9 digits if known): \_\_\_\_\_ 6f. If owner No. 2 resides in a foreign country, give name of country (15 letters, max.): \_\_\_\_\_

7.  Yes  No The FHA mortgage was paid off by refinancing and I (we) requested that the refund be credited to the new FHA insurance premium.

Note: All owners must complete the following certification, even if they were not named on this form. If all person(s) named on this form do not complete the certification, an explanation must be given in the Remarks section below. One signature must be notarized.

8. Claim Certification: I, the undersigned, certify that I was the legal owner of record at the time of mortgage insurance termination of the FHA insured property described in item 1b above and the information provided above is correct to the best of my knowledge and belief.

8a. Owner 1 Signature & Date: X	8b. Owner 2 Signature & Date: X
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Warning! Section 1001 of Title 18 to the U.S. Code states that a person is guilty of a felony for knowingly and willingly making a false or fraudulent statement to any Department or Agency of the United States. Penalties upon conviction can include a fine of not more than \$10,000 or imprisonment for not more than five years, or both.

9. Remarks: (attach a separate sheet if more space is required)	10. As to	11. Notary Seal:
	(type in name): _____	
	Signed and sworn to before me this _____ day of _____, 19 _____	
	Notary Public (signature): X _____ My Commission expires _____, 19 _____	

U.S. Dept. of Housing & Urban Development  
Attn: Disbursements Branch  
PO Box 44372  
Washington DC 20026-4372

## HUD May Owe You Money!

To collect any money to which you may be entitled, do the following:

1. Verify that the property address in block 1b on the back is correct and applies to you.
2. If the property applies to you, be sure to read the *Guidelines for Payment and Proof of Ownership Requirements*, below.
3. Complete the form on the back.
4. Attach proof of ownership as it applies to you.
5. Have one signature notarized (blocks 10 & 11).

### Guidelines For Payment

As a first step, verify that the property address (item 1b) is correct and applies to you. To obtain any money to which you may be entitled, complete the form on the back of this letter, attach proof of ownership or entitlement, have one signature notarized, and mail the documents to the address noted in the top left corner above. If more than two people shared ownership of the property, photocopy the form on the back to use as a continuation sheet. If you are the sole owner, enter 100% as the ownership percentage (item 3d); if you are a co-owner, enter 50%; or if there are multiple owners, enter your ownership percentage. Each individual who owned a share in the property must complete the application, include proof of ownership/entitlement and certify by signing item 8 on the back of this letter. Only one signature must be notarized (items 10 and 11). If all persons identified on the form have not signed the certification, an explanation should be provided in the remarks section (item 9) or on a separate sheet of paper. Documentation supporting the exclusion must be provided. It will take about 6 weeks to process your form after HUD receives it.

If there is an error or if you need additional information or help in completing this form, please call the Service Center Section at (703) 235-8117 between 9 a.m. and 4:45 p.m. (EST) Monday through Friday (except holidays). Please have your FHA case number (item 1a on the back of this letter) available.

**A Premium Refund** is the balance remaining of a prepaid mortgage insurance premium when the mortgage is paid off prior to the end of the mortgage term. A premium refund applies only to homeowners whose mortgages were insured after September 1, 1983. When you refinance your existing FHA-insured mortgage and a premium refund is due, your lender may offer to credit the amount of the refund against the OTMIP for the new FHA mortgage (item 7). However, if the amount of the premium refund is less than the OTMIP on the new FHA mortgage, you will not receive a cash refund.

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600 and to the Office of Management and Budget, Paperwork Reduction Project (2502-0414), Washington, D.C. 20503.

**Privacy Act Notice:** Section 203 of the National Housing Act and Section 7(d) of the Department of Housing and Urban Development (HUD) Act, Public Law 89-174, authorize collection of this information, which will be used by HUD to determine your eligibility for a refund. You must provide your Social Security Number. The Debt Collection Act of 1982,

### Proof of Ownership/Entitlement Requirements

The following documents may be used to show proof of ownership/entitlement (send only photocopies of original documents):

**Deeds:** A copy of the recorded deed (General Warranty Deed, Special Warranty Deed, Reconveyance Deed, or Quit Claim Deed) showing ownership prior to termination.

**Death Certificate / Will:** In the event of the death of a co-homeowner who is a joint tenant or tenant by entireties, a copy of the death certificate establishes that the surviving co-homeowner(s) is/are entitled to payment. In the event more than one of the homeowners is deceased and the estate is closed, a copy of an executed will identifies the heirs entitled to the refund. If the estate is open, the refund is payable to the appointed official of the estate.

**Divorce Decree:** In the event of a divorce of co-homeowners, it is necessary to show the divorce decree or other document such as a recorded quit claim deed which gives title to the claimant. Otherwise, both will be treated as co-homeowners for payment purposes.

**Name Change:** In the event of a name change, a copy of the marriage certificate or name change document is required.

**A Distributive Share** is a distribution of any excess earnings of the Mutual Mortgage Insurance (MMI) Fund which is funded by the mortgage insurance premiums you and other homeowners pay. Part of the MMI Fund is used to cover expenses associated with insuring the mortgages. The remainder is invested. When the earnings of the MMI Fund exceed the amount needed for expenses and insurance reserves, the excess is paid as "distributive shares" to homeowners when their mortgage insurance is terminated. The amount of a "distributive share" depends on the mortgage insurance premiums that were paid and other factors.

Public Law 97-365, requires any person participating in a Federally-insured loan program to provide his/her Social Security Number. You should provide all of the requested information; failure to do so may delay the processing, or result in the rejection, of your application. HUD uses the Social Security Number to identify the applicant. This information may be used in computer matching programs with other Federal agencies to obtain current addresses and for debt collection/offset purposes. This information will not be otherwise disclosed or released outside of HUD, except as permitted or required by law.

**Possible income tax liability:** Generally, premium refunds or distributive share payments are not taxable income as they represent a return of mortgage insurance premiums. Exceptions occur, however, if: (1) the premiums were previously deducted as a business expense, or (2) the refund exceeds the amount actually paid by the payee (usually due to an assumption of the mortgage involved). Further information may be obtained from your local IRS office and IRS rulings 56-302 and 58-380.