



Last Reviewed: 03/01/2024

Interest-Credit Policy

Borrowers will not be charged interest on a mortgage loan until cash is disbursed for the transaction, and the loan is funded. In certain rare circumstances, a loan may be signed prior to cash disbursements being made (dry closing). In these cases, the per-diem interest that is accumulating against the borrower until the actual funding of the loan may be credited to the borrower when cash is actually disbursed, providing that cash is disbursed on or before the fifth of the following month.

Interest-Credits permitted by UHM Policy:

1. **Conventional Purchase:** Must sign and disburse by the 5th of the month (99% of the time, an interest credit on roundtable close is not possible without a dry close).
2. **Conventional Refinance:** Must sign in the month prior and disburse the next month by the 5th.
3. **FHA Refinance paying off a Conventional Loan:** Must sign in the month prior and disburse the next month by the 5th.
4. **Streamline Refinance:** NOT PERMITTED
5. **FHA Refinance paying off a current FHA Loan:** NOT PERMITTED
6. **FHA Purchase:** Must sign and disburse by the 5th of the month (99% of the time, an interest credit on roundtable close is not possible without a dry close).
7. **VA Purchase:** May sign the month prior to, or the beginning of the month, and disburse the next month by the 5th.
8. **VA Refinances:** May sign the month prior or the beginning of the month, and file by the 5th (cash-out or IRRRL).
9. **USDA Purchase:** Must sign and disburse by the 5th of the month (99% of the time, an interest credit on roundtable close is not possible without a dry close).
10. **USDA Refinance:** Must sign in the month prior and disburse the next month by the 5th.